

TECHNOLOGY DEPARTMENT

First of a series of articles on "Credit Engineering," page 11

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January, 1928

CREDIT

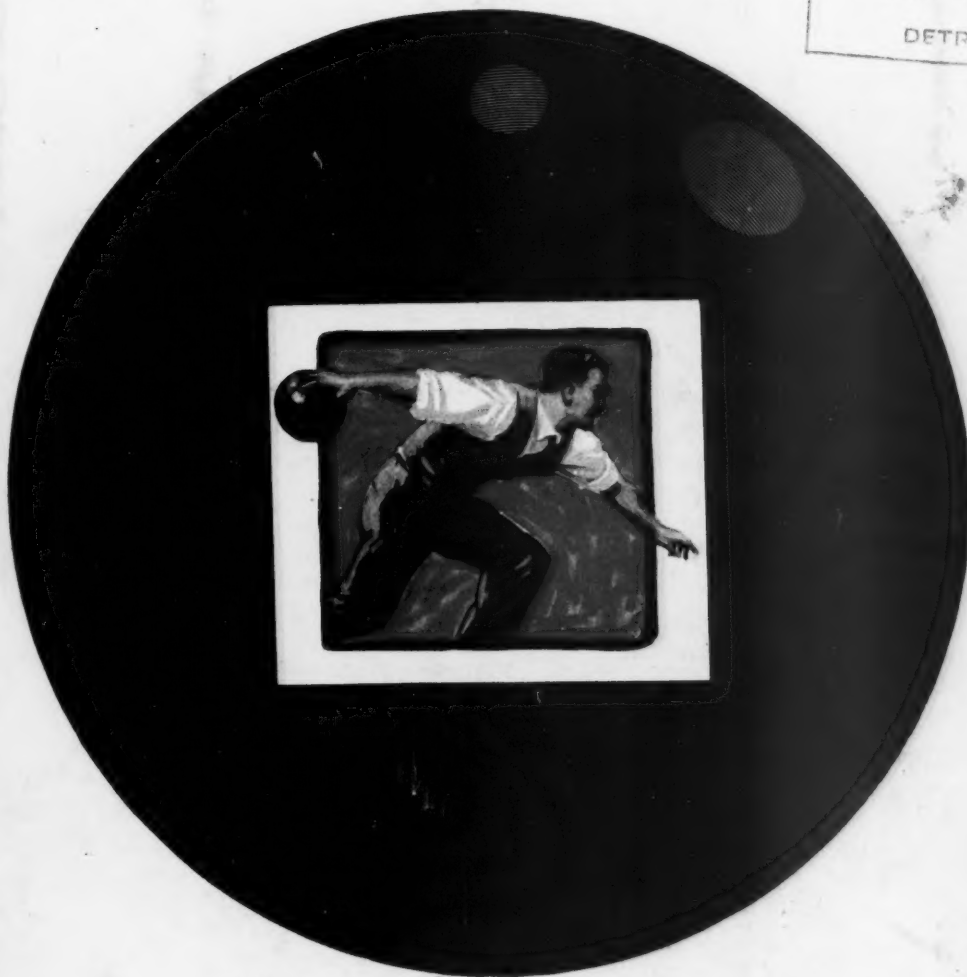
MONTHLY

(Reg. U. S. Pat. Off.)

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JAN 4 1928

DETROIT



Bowling Over Credit Losses

Sympathetic Credits—The Policy of a Leading Manufacturer
of Bowling Alleys and Billiard Tables

See page 7

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\$3 a Year



Canada

The new "land of opportunity" is yet in the embryo stage. The certainty of its forward progress rests on a foundation of rich natural resources, the sturdiness and aggressiveness of its people and the proved integrity of its government.

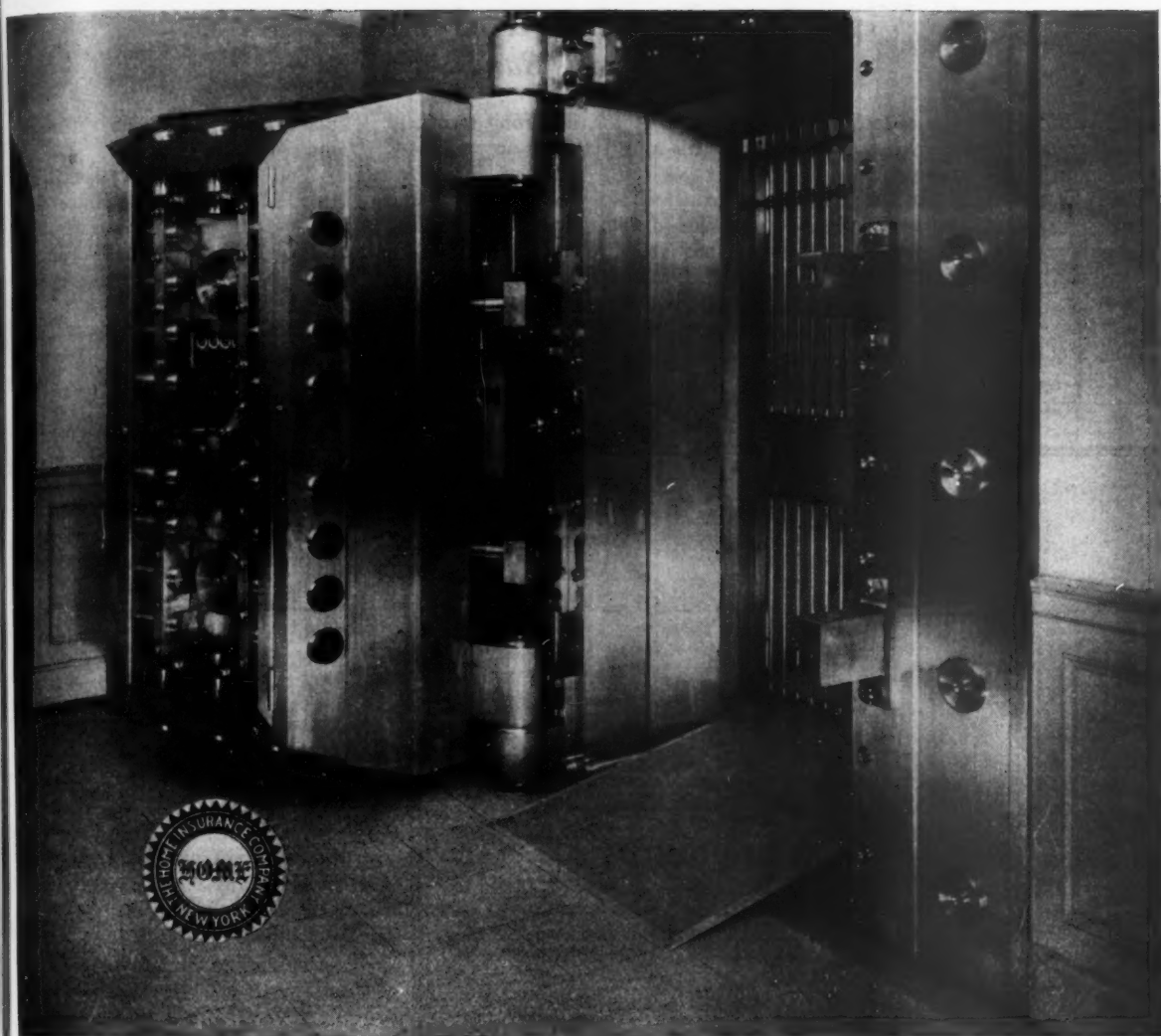
The launching of a new enterprise requires individual capacity, momentum sufficient to carry it past formidable obstacles, and definite precautions against loss. The latter can be accomplished only by insurance.

The capacity of the individual being satisfactorily established, an adequate analysis of the credit risk should include a careful scrutiny of the insurance covering all property, stocks and perishable assets.



Globe & Rutgers
Fire Insurance Company
111 William Street
New York

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PROTECTION

A steel vault with its huge door—its intricately timed system of locking, its inherent strength, inspires confidence.

But obviously, all valued possessions cannot be safeguarded back of steel doors.

When factories, office buildings or homes are to be built they require financing. This involves

loans and mortgages which must be protected with insurance.

Bank officials recognize the important part which insurance plays in their business and know that to protect their investments with insurance is as important as to safeguard deposits with steel vaults.

This is an advertisement by The Home Insurance Company of New York presenting a suggestion of the place which Fire Insurance takes as a vital factor of the nation's development.

The HOME INSURANCE COMPANY NEW YORK

CHARLES L. TYNER, President

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A Vigorous Letter—and the Answer

By *Varius Sands*

TWO letters, one a collection letter, and the other a reply from the debtor, have been made available to the CREDIT MONTHLY by J. R. Sheldon, Credit Manager of the Remington Arms Co., whose Credit Department was described in the November issue of the CREDIT MONTHLY.

The first letter, reproduced below,

urges the debtor, in strong terms, to settle his long standing account:—

Oct. 4, 1927.

Gentlemen:—

We dislike to write you so often about your past-due account, but really we have no alternative, when you persist in ignoring our letters. You have sent neither a check nor an ex-

planation of your delay in making payment.

You must fully realize that this is a very unbusinesslike method of conducting your affairs. Your sense of fair play must tell you that we are entitled to better treatment. If conditions make it simply impossible for you to remit for the amount of \$—— now long past due, write us today, giving a full frank explanation; otherwise your check should be mailed today.

We are counting on you to treat us as YOU would like to be treated were our positions reversed.

Very truly yours,
REMINGTON ARMS CO., INC.

The Reply

This is the letter received from the debtor in reply, showing that this particular collection letter got prompt results:—

Oct. 6, 1927

Remington Arms Co., Inc.,
25 Broadway,
New York, N. Y.
Gentlemen:

Replying to your favor of Oct. 4th, we do not blame you for being persistent in getting after us about our account with you, and the reason we have not written you about the matter is that we have expected to mail you a check to balance the account and have honestly tried to about the 15th of each month as that is our discount date, and our money comes in then, but each time something has come up to head us off.

Now we are going to enclose our check for \$—— and will send the rest just as soon as we can do so. We lost heavily in 1924-1925 and it is hard getting back again and the writer came very near being carried away by it. On leaving the hospital last March my doctors both gave strict orders not to go near the office for some time, but the next morning found me at my desk and I have been there continually ever since.

Very truly yours,



"Revolving" Credits As a Trade Factor

A FREIGHT STEAMER plying back and forth between the ports of the Caribbees, with every dollar of the operating costs of each voyage paid through a Credit established by a bank 2000 miles away.

A Dutch exporter in Java making weekly shipments of crude rubber, presenting the shipping documents regularly to his bank in Sourabaya and receiving immediate payment as arranged by the buyer of the rubber in New York.

A New York company's representative stationed in Buenos Aires, receiving his monthly funds as regularly as if he were only "out on the road."

Such are the services rendered to business by "Revolving" Credits, arranged by the American Exchange Irving Trust Company through correspondent banks in every quarter of the globe.

Under a "Revolving" Credit, arranged through the Out-of-Town Office of this Company, repeated payments up to an amount specified will be made to a merchant or representative at a distant point, for merchandise sold or to meet expenses, without the necessity of making new arrangements or giving new instructions.

OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

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When writing to advertisers, please mention the Credit Monthly

"Something Went Wrong and I Guess It Was Me"

COLONEL LINDBERGH, describing his flight to Mexico City, said that he "managed to get completely lost in the fog. . . . Something went wrong and I guess it was me."

It would be pleasant (but it is impossible) to announce that the Colonel had been reading the December CREDIT MONTHLY wherein was printed a piece entitled "It's All Your Own Fault," in which it was pointed out that most of the difficulties we get into are of our own making.

Creator of Sales

THE credit man can and ought to be the best salesman a manufacturer has. If he is alert to the possibilities of his position he can actually create as much profitable business as any salesman on the force," says George J. Gruen, President of the National Association of Credit Men and Treasurer of the Gruen Watch Makers' Guild, in an article in the December issue of Printers' Ink Monthly, called "The Credit Man—Creator of Sales."

Mr. Gruen discusses the many ways in which the sales function of the credit manager can be, and in many instances, is exercised. He believes that the credit manager's worth should not be gauged entirely on the percentage of losses each year, but that the amount of business that has been turned down should be taken into consideration as well as that which has been accepted. If the loss ratio is low, and only a small amount of business has been rejected, then the credit manager may be regarded as a getter of business rather than a mere censor of orders.

The fact is emphasized by Mr. Gruen that, when orders are accepted indiscriminately by a concern, the credit losses should be charged to the questionable accounts, eliminating the good ones. This procedure would show the true loss percentage, considerably higher than that based on the gross volume of sales. The credit manager's most important function in this respect, says Mr. Gruen, is in the getting of "just a little more business"—that profitable margin of accounts, usually of small but desirable dealers, which every manufacturer can handle without ad-

CREDIT

MONTHLY

THE NATIONAL MAGAZINE OF BUSINESS FUNDAMENTALS

(Member, Audit Bureau of Circulations)

Editorial and Executive Offices, One Park Avenue, New York

RODMAN GILDER, Editor

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Vol. XXX
No. 1

Approval Withdrawn from Tulsa Adjustment Bureau

THE Director of the Adjustment Bureau Dept. of the N. A. C. M. announces that the National Association of Credit Men has withdrawn official approval from the Adjustment Bureau of the Tulsa (Okla.) Association of Credit Men.

Only SAFEGUARD gives three-fold PROTECTION

Check protection at three vital points is provided by Safeguard—automatically, unfailingly! It is literally true that “*You can’t be Careless with a Safeguard!*”

1. Writes EXACT Amount in WORDS.



2. AUTOMATICALLY protects Payee's Name.



The same operation that writes out the amount in acid proof red ink, shreds the Payee's Name and the amount as written in figures. It's automatic—“*You can’t be Careless with a Safeguard.*”

3. Amount is ALWAYS written in ONE line, full width of check; eliminates danger of raising by additions.

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SAFEGUARD CHECK WRITER CORP.
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SAFEGUARD
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the fastest check writing machine ever devised to give complete protection.

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Sarcasm in the 'Eighties

E. P. TUTTLE, Past President of the National Association of Credit Men, sends to the CREDIT MONTHLY the following letter written in the early 'Eighties by the superintendent of the Boston office to the superintendent of the San Francisco office of the Bradstreet Co. He secured this document from William T. Van Etten of Bradstreet's who assured him that “We are now in a position to handle reports from California inside of 14 months!”

There are moments in life when the portals of speech may be thrown wide open and pure unadulterated profanity be indulged in without fear of an offended Deity. In such a moment does the writer commence this letter, and though the oaths are not herein contained, you may be sure that if any reverberations are heard among the Sierras, they are but the echoes of a good, old-fashioned swear, none the less fervid because of its Puritanic source.

Some 14 months ago in a moment of trusting confidence we sent you an inquiry on G. C. Briggs, Davidville, Yolo, California. Since then we have sent you, at different times, ten tickets on the same party and have called attention to the matter on our delinquent lists.

We have grown to have a fondness for this inquiry on Mr. Briggs: it is, so to speak, the pet of the office. Not only is it surrounded by the halo of interest which always accompanies an object of antiquity, but connected with the whole affair is a feeling of pathetic tenderness which only long waiting and repeated disappointment can give.

And now, after all the anxious expectation comes your remark on our delinquent list that you “have no ticket.”

We do not complain that we have received no reply; that we did not expect. Were we to receive some day, a full report on Mr. Briggs, we should feel the deepest regret, and experience the touching emotions of the prisoner of Chillon, who regained his freedom with a sigh. But we are stung to the quick by your forgetfulness and failure to preserve our tickets. Even the preservation of one would, like Mercutio's wound, have been enough. Yet we do not despair! If we can but awaken in your breast one gleam of sympathy we shall feel that all is not lost. We, therefore, inclose a new ticket, and beg that you will cherish it,—if necessary, frame it. And in the far distant future, when Macauley's New Zealander shall take his stand on a broken arch of London Bridge to sketch the ruins of St. Paul's, may we not hope that some cis-Atlantic contemporary in his wanderings near the Golden Gate, may find floating on the breezes of the Pacific slope one little fluttering memento of an unsatisfied yearning for an impossibility.

When writing to advertisers, please mention the Credit Monthly

Committee Work

"IT is very hard nowadays for an individual to accomplish things alone," said the Vice-President. "All effective work is done by committees and other groups of people working together. Of course, if a man is a violinist or a surgeon—and even then—"

"Yes, I have heard so," the Credit Manager assented; "but an A. E. F. captain told me a story the other day which casts some doubt on that theory."

"He said that in 1919 the veterans of his Division had a big meeting, attended by 1,800 men, at which it was decided amid cheers that the Division was to have a club-house. A committee of 110 men was appointed, representing every unit of the Division and every shade of opinion. The committee chairman called several meetings, and the architects and draftsmen belonging to the Division were asked to submit sketches. The real estate men began dickering for a site. Two years and a half went by and *nothing happened*.

"An executive committee of 24 men was appointed to put the thing through. A questionnaire was sent out to all members, asking for suggestions. The architects got into a row; an option was bought on an unsatisfactory piece of real estate; several badly attended but acrimonious meetings were held. Two more years went by, and *nothing happened*.

"The president of the organization threw overboard 17 of the executive committee, and appointed a building committee of 7 men with full power to go ahead. Several conferences were held. A campaign for funds was started, a building site almost chosen, and plans studied and re-studied. Eighteen months went by, and *nothing happened*.

"At this stage the secretary of the building committee,—a silent young man who held an obscure job in a bank,—made some calculations and concluded that, at the present rate, when the organization got its building it would need an old man's home. He decided to get a little action. By utilizing his own authority and a great deal more, he proceeded to sign contracts, take up options and generally to make decisions. Eight weeks later the cornerstone of the building was laid in a blaze of glory, and 10 months after that nearly every living member of the Division, the Governor of the State and General Pershing took part in the house-warming.

"A dozen of his intimate friends gave the young banker a dinner and told him what they thought of him. In his few well chosen words of thanks he assured them that his share in the work had been nil, that nothing whatever could have been done without the loyal co-operation of the entire organization and the splendid work of the committees."

Rodman Gilder

Editor.

FORGERY



FORGERY of the maker's name on a check, or forgery of the endorsement, are ever-present hazards of serious loss.

Check losses in this country exceed \$100,000,000 yearly—and losses from forgeries contribute in no small measure to this staggering total.

Check-writing machines and safety paper have largely reduced losses from raising or altering. But in the nature of things they cannot remove the forgery hazard.

Even the most carefully protected check has these two vulnerable points.

The one sure protection — the only absolute protection — is insurance.

And note this: the Check Alteration and Forgery policy issued by The Metropolitan Casualty Insurance Co. allows you liberal discounts from the premium rate if you use check-writing machines and safety papers.

These substantial discounts bring Complete Check Protection within easy reach of everyone who needs this important protection — and few indeed do not.

Ask the Metro Agent.

The METROPOLITAN CASUALTY INSURANCE COMPANY OF N.Y.

J. SCOFIELD ROWE, PRES.

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1874

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55 FIFTH AVE.



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Vol. X

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CREDIT MONTHLY

Vol. XXX

JANUARY, 1928

No. 1

Sympathetic Credits

Customer Education Profits Debtor and Creditor

By Jos. K. Drake

OUR Credit Department operations are conducted on a basis of sympathetic credits," said F. W. Teele, the officer in charge of credits, Eastern Zone, Brunswick-Balke-Collender Co., New York, to a representative of the CREDIT MONTHLY. "The nature of that part of our business relating to billiard rooms and bowling alleys is such that a part of my department's time is spent in imparting more or less intensive education to some of our customers just embarking in the business.

"When 60 or 70 per cent. of the customer's entire establishment is in material which we have supplied, we have got to help him. There is no one else to do it. Whether this process is called Business Service or Service or simply Business, we are deep in it, and are finding it not only full of human interest but profitable to our company.

"A young man who had been a good customer of ours came in to see me ten days ago. He had found a new location for a bowling alley and billiard room, and wanted to buy about \$30,000 worth of equipment. The first thing I did was to check up the place he had selected, and I found that it was an excellent location. Then we got him and his prospective landlord (himself a tenant) into the office here and wrote a sublease for our customer covering a period of 18 years. We also drew up an agreement between our customer and the owner of the build-

Business Service

THE importance of the constructive credit principle called Business Service leads the Credit Monthly to give considerable attention to the subject. This article, describing the Credit Department managed by Mr. Teele, is based on the work of a Credit Manager whose principle aim is building up the customers and who is therefore an outstanding exponent of the Business Service idea.

Requests from many sections of the country are reaching the Credit Monthly for copies of the study entitled "Business Service—Its Meaning, Purpose and Development" prepared by the Business Service Committee of the N. A. C. M., whose chairman is J. M. Rust, Union Oil Co., Los Angeles.

ing which protected our customer in case his immediate landlord, for whatever reason, should drop out of the picture.

"After getting all this lease proposition out of the way, we proceeded to sell the customer his order. The bowling alleys are now being built at the new location.

"Another example:—The partners who are good customers of ours wanted to open a second establishment, and came in to see us. They had only \$2,000 in cash, but they were honest and competent, and

their old place was unencumbered. They wanted to place a \$10,000 order for equipment to be set up in the new and desirable location. We induced their new landlord to take a chattel mortgage on their old establishment. The principal and interest he paid in 16 payments, covered by chattel mortgage. Before we started to build the bowling alley there were placed in escrow a \$2,500 check of the landlord, representing his loan to them, as well as the landlord's mortgage. Gradually the whole thing will work out, with the two establishments buying supplies from us on short terms and two landlords getting their rent from two prosperous tenants.

"Most of our large deals are, as you see, financing propositions. In the case of every order of over \$5,000, we look over the leases and check up also on the plans to make sure that each customer will not run afoul of the Building Department of the city in which he is located. A violation of the Building Code may pretty nearly wreck a business. We must therefore keep posted on the requirements of municipal building codes as well as of all the intricacies of chattel mortgages and insurance coverage.

"Our educational work is done in as nice a way as we are capable of. Of course we never lay down the law. But in carrying it on we have the leverage of notes from the customer. And I am glad to say that in the case of less than $\frac{1}{8}$ of 1 per

cent. of our losses have we had to foreclose our mortgages. And even in those instances we often find other more competent managers of billiard rooms and bowling alleys to take over and run the establishment.

Department Methods

"In handling our credits we regard speed as essential, in order to give the customer, who wants to pay, every facility to do so, and to give the man who isn't so willing, the least possible chance of a come-back. We therefore do all of the book-keeping of customer's accounts on billing machines—in fact, I believe that we were one of the first companies to

appreciate years ago the economy of machinery as compared to old-fashioned methods. We have devised a plan by which we make a ledger sheet entry and the statement, in duplicate, in one operation. The statement goes to the customer; the duplicate to the Sales Department for transmission to the salesman, so that he may know the condition of his customer's account; and the triplicate becomes the ledger sheet. [See Figure 1.]

"The protection of our interests by insurance forms a very important part of our work. Our Bills Receivable Department keeps a constant check on our chattel mortgages so

that we can have them refilled according to the requirements of the laws of the various States in which we are selling. For example, a chattel mortgage must be refilled every year in New York State—every six years in New Jersey. We likewise follow up the reissuance of insurance. We also see that insurance losses are payable to this company 'as its interests may appear.' And we naturally insist that the insurance be placed with a responsible company. Insurance policies are kept with the mortgages. In our safe right now are about 1500 mortgages with one or more insurance policies attached to each of them.

Requests for Extensions

"When the customer asks for an extension on his notes which we hold, we invariably go into the matter according to our policy of handling credits sympathetically. It is not enough for him to say, 'We haven't been making any money lately, and we'd like you to give us a little more time on these notes.' The mere extension may not be helpful in itself. The request for an extension may be the result of bad conditions in the customer's business. We take the trouble to find out what these conditions are that have put him in the non-profit-making class, and to help him correct them. This is the way we do it:—

"The customer, asking for an extension, receives from us a two-sheet questionnaire." Mr. Teele handed to the CREDIT MONTHLY representative two typewritten sheets, 8½ x 11, as follows:—

Questionnaire A

Name
Street Address
City
State

EQUIPMENT

Tables
Alleys

INCOME

From Tables
From Alleys
From other sources.....
Table Total Income.....

EXPENSES

Rent for Period.....
Light
Supplies
Insurance (Expired)..
Tax

SALARIES

Drawing Accts.....
Manager
Table Attendants
Porter
Pin Boys.....
Miscellaneous
Total Expenses.....

Form 1437-10M-6-25

MONTHLY STATEMENT

TELEPHONE CIRCLE 4900

The Brunswick-Balke-Collender Co.

796 SEVENTH AVENUE
NEW YORK

DEC 30 1927

TERMS COLUMBIA BOWLING ALLEYS
DOE & ROE
1000 MAIN STREET
ENNVILLE CONN

| DATE | PAID | ITEMS | DEBITS | CREDIT | BALANCE |
|-------------|------|-------|--------|--------|---------|
| BAL BRT FWD | | | 415 41 | | |
| OCT 28 | 351 | CASH | | 100 00 | |
| OCT 31 | 14 | MOSE | 106 20 | | |
| NOV 15 | 82 | MOSE | 19 80 | | |
| NOV 12 | 111 | MOSE | 1 33 | | |
| NOV 30 | 395 | CASH | | 100 00 | |
| NOV 23 | 127 | MOSE | 5 40 | | |

NOTICE: THIS STATEMENT SHOWS YOUR ACCOUNT AS IT APPEARS ON OUR BOOKS ON THE END OF THE MONTH WRITTEN ABOVE. IF THE ACCOUNT HAS SINCE BEEN PAID, PLEASE DESTROY STATEMENT.

FIG. 1—On this sheet, 7¼ x 11 inches, the ledger entry and the statement in duplicate are made out in one operation. The statement is sent to the customer; the duplicate to the Sales Department for transmission to the salesman to keep him informed of the condition of his customer's account; and the triplicate becomes the ledger sheet.



A typical installation for billiards and bowling, where the company planned for the customer financing of the project, installed the entire equipment, and furnished the supplies.

Questionnaire B

When were your tables repaired last?.....
 What is the present condition of your tables?.....
 What is the present condition of cues and balls?.....
 When were your alleys repaired last?.....
 What is the present condition of your alleys?.....
 What is the present condition of balls?....
 What do you charge for Billiards?.....
 What do you charge for Bowling?.....
 Do you hold billiard tournaments?.....
 Do you hold bowling tournaments?.....
 If so, how often?.....
 Do you give prizes?.....
 What is the term of your lease?.....
 Does landlord make repairs when necessary?.....
 Are any repairs necessary to building now?.....
 What have you done to encourage bowling on your alleys?.....

"These are filled in and either mailed or brought to the office by the customer. We usually send a credit representative to check up on the details of the first sheet [Questionnaire A] if it looks as if it were in any way false. As you see, it may bring out a number of very important facts, and show why the cus-

tommer is not making money. For example, under 'Salaries,' we may find that two partners in the business are taking money out on a drawing account, and that they also maintain a salaried manager. In such a case, we of course suggest that the manager be dispensed with, and that one of the partners do the work of the manager. Or perhaps we learn that there are four table attendants, where only two are necessary.

"The other sheet [Questionnaire B] is also likely to reveal the reasons for a lack of profit. The condition of the equipment may be poor. The whole place may have run down to such an extent as to drive away trade. If this sheet has brought out facts valuable from the sales viewpoint, it is turned over to the Sales Department. It is obvious that excellent use of this information can be made by that department.

"With these two questionnaires in hand, we are in a position to say to the customer, 'If you will do thus

and so, we will be glad to give you an extension on your notes.' But this must be handled sympathetically, in order that the pleasant and profitable relations between debtor and creditor may be maintained.

"To carry out our policy of *sympathetic credits*, you see, we have to educate our customers in the requirements of conditional sales, chattel mortgages, notes, insurance, building codes, and so on.

"One of the most potent factors in lowering credit morality I believe, is conceding discounts after their period has past. I would far rather agree on a cash discount in 20 days, than I would permit a 10 day discount in 12 days. Weakening on cash discount terms makes bad feeling both ways and certainly makes it more difficult to collect later on from the same customer. Moreover, the man who pays promptly has a right to be disgruntled when he finds that someone else has been permitted to get away with the extra time."

New Year Resolutions

THE Credit Association of Western Pennsylvania, Secretary L. I. MacQueen, Pittsburgh, has issued a decorated wall card entitled "The Pledge of Credit." It reads:

I COMMIT MYSELF—

To co-operate with fellow credit executives working constructively for the improvement of business practices.

To hold all credit information inviolate, preventing its use for any other than credit purposes.

To prevent the misuse of credit as an instrumentality for the furtherance of sales.

To follow no course of action which will prejudice the interests of other creditors similarly situated.

To make no composition with fraud.

To maintain absolute sincerity and exact truthfulness in every exchange of credit information.

To exert every effort to secure honest, efficient and economical administration for insolvent estates.

To offer advice and counsel to customers where there is apparent need of guidance or assistance.

To foster in every way the maintenance of all contractual obligations.

To direct my energies toward the furtherance of my professional skill to the end that I may promote more effectively the safe conduct of credit relationships.

An Ancient Debtors' Code

Creditors' Rights Established 39 Centuries Ago

By Alphonse Tonietti

CREDIT and debit transactions played a large role in the life of the ancient Babylonians and Assyrians as judged by the thousands of clay tablets representing fiduciary dealings in the land of the Tigris and the Euphrates. Besides these business tablets, the famous Code of Hammurabi, who lived about 2000 B. C., devotes an entire section outlining the legal relations between creditor and debtor.

The venerable figure of Hammurabi looms forth as that of both a redoubtable conqueror and a law-giver. Having consolidated his conquests, Hammurabi set about formulating a code of laws which he caused to be carved on a stone stele and placed in the Temple of Marduk, thus making the laws of the land accessible to the rank and file of his subjects. He then caused other copies to be published on smaller, baked-clay tablets with notes for the schools. The original stele on which this code was written was discovered in 1902 in Susa, the ancient capital of Persia, by J. de Morgan. It is a tapering block of black diorite, eight feet high and inscribed with forty-four columns of cuneiform.

A distinct effort is made in this Code to better the position of the debtor and to protect him against the cruelty of his creditor. Yet it assumes that the debtor is criminally liable, even though a criminal intent be absent, and that he could be seized and punished for failing to meet his obligations.

Treating money-lending as perfectly legal, the Code specifies the interest rates in some cases. "Sibtu," a word meaning "growth," stands both for interest and profit which are largely treated synonymously. Mesopotamia being to a great extent an agricultural country, the "growth" of capital into a larger volume was more than figurative. The returns of the fertile soil of that land were, and still are, proverbial. Likewise was the rate of interest comparatively high, varying between $33\frac{1}{3}$ and 20 per cent. Neither was this inter-

est considered exorbitant at all, since we are told that the crops not infrequently yielded five to one or even more.

Floods Wiped Out Debts

No coined money was known in the Babylonian Empire. Loans were made in weights of silver, barley, wheat, sesame and other less popular cereals. And the extent to which the Babylonians depended on their agricultural yields is shown by the great care with which the Code of Hammurabi treats the relations between the grower and his creditor. Thus it lays down that in case of inundation or drought and consequent loss to the farmer, neither payment of capital nor of interest need be made. If, however, as a result of negligence to fortify his dyke a man should cause damage to the crops of his neighbors, he is to reimburse them for all their losses. But if such a culprit has no barley to pay "he and his goods shall be sold for silver and it shall be divided among those whose corn he destroyed."

Other sections of the Code in regard to debtors are so explicit that they need no explanation.

90. "If a trader has lent silver at interest, then for each shekel of silver he shall take a sixth part of a shekel plus six grains of interest.

95. "If a trader has lent barley or silver at interest and has delivered the silver in light weight or the corn in light measure; or if when he collects the debt he takes the silver overweight or the corn over-measure; then that trader shall lose the whole amount that he has lent."

117. If a man contracts a debt and gives his son, daughter or wife "for silver or for labor," they must work three years and then be free. But if such person given over to a creditor be a slave, then there is no further claim on his release, according to the next section of the Code.

152. A debt is incurred both by a man and his wife, unless she stipulates, before her marriage, that her

husband shall not "assign her to a creditor."

It is seen from these sections that the debtor's person could be distrained or seized and his wife or children placed at the disposal of his creditor for three years, the victim working off the debt in the meanwhile. If it be a female slave who has borne her own children before this takes place, then her master could buy her back. A modern touch is given these ancient laws when we are told that a debtor's tools, including his oxen, could not be touched by his creditor.

300 Per Cent. a Year

In certain circumstances the penalty for non-payment of debt is fixed at 25 per cent. a month or 300 per cent. a year! At first blush this might seem a stupendous and impossible rate, but when it is considered that such loans were mostly contracted for highly remunerative crops, then they appear more reasonable.

Numerous baked-clay tablets inscribed in ancient cuneiform with such contracts, promissory notes and pledges, are still in existence. It is curious that such a document could not be deemed valid unless it was sealed by the person contracting the obligation and, in most cases, by several witnesses. But it was absolutely necessary that such documents be drawn up in the presence of a public official, generally known as an elder; otherwise it had no value whatsoever. Women apparently figured quite as often as men in the position of either debtors or creditors.

The age-old law of reprisals, an eye for an eye and a tooth for a tooth, looms large in this Code. If a debtor, his wife or children, when distrained for non-payment are killed as a result of maltreatment, then the law wreaks vengeance on the child of the creditor. If a creditor resorts to the granary of a debtor with the object of collecting his debts without the debtor's consent, the law

(Continued on page 29)

The C. M., A Risk Conserver

First of a Series of Articles on "Credit Engineering"

By Raymond E. Bell

GROWTH in management means splitting up the job. The capacity of a single man to directly supervise all the activities of a business soon reaches its limit. Even the expression "a one-man business" has to be applied with caution, in spite of the dominance of a single mind. The old adage, "If you want a thing well done you must do it yourself" in a short time places a halter around the expansive possibilities of the man who believes it and ties him to a life of spirit breaking routine and drudgery. Today the man who is utilizing his abilities to the fullest extent is constantly reminding himself, "If you want a thing well done, select the man who can do it best."

All of us are aware of the marvelous achievements that have been made possible through the division of labor in factory and workshop. The dexterity which has grown out of the constant practice of the same occupation; the economy of time when a particular task is followed without interruption; the co-ordination of the job with the abilities of the worker; the increased facility with which a task may be learned when split into parts; the opportunity it affords for labor saving devices; these are the very foundation stones upon which the masonry of our industrial structure has been built.

Division of Management

"The division of labor," says Tausig, "is one of the great central facts in modern society." Although it has not been approached with an equal degree of scientific analysis, he may be presumed to have included within the scope of "labor" all work performed by head as well as hand. There is even more power for good or evil in "the division of management" than in that of labor.

When growth has reached the point where a one-man business expands into management functions, it has been liberated from a bondage of time and place. A field of opportunity is gradually disclosed, limited only by the ability of its parts to propagate and at the same time main-



RAYMOND E. BELL

AS president of Raymond E. Bell, Inc., management engineers, New York, Mr. Bell has advised many business organizations on important management problems, including those of the credit department. He was for several years an officer of a large corporation, in charge of its credit department, and at that time was a member of the National Association of Credit Men through membership in the New York Credit Men's Association.

In 1917-19 he was officer in charge (with the rank of Major) of organization and methods of the Construction Division of the United States Army.

In later articles Mr. Bell will discuss specific phases of the credit problem under such headings as "Credits and the Shipping Department", "The Application of Machinery to Office Work" and "The Credit Job—Where Does It Lead?"

tain their cohesiveness. The division of management may be likened to the well balanced growth of the seed. First the stalk, later the branches; then the shoots and leaves.

In the unfolding of management, credit is among the earliest to disclose itself as an independent function. Its origin may appear obscure

and accidental. That it should be first, however, is quite simple to explain and sound in practice. Business builders are risk takers and the rapidity of growth in any enterprise may be directly related to the degree of risk and the courage with which it is carried through.

On the other hand, soundness in growth requires that risks become relatively smaller as expansion progresses. It is the same ocean, whether it be the *Mayflower* or the *Leviathan*, but ocean travel in *Mayflowers* could never be organized on a comprehensive scale, no matter how large the fleet might be. Where the risk increases directly with growth, the enterprise cannot long survive.

Eventually the pioneer, the enterpriser, the promoter, the man who starts the ball a-rolling and often furnishes the capital, recognizes the need of a steadying influence for his risk taking proclivities. They are of great consequence when the business is young, but become less vital as it grows and matures. Enter the credit manager. He is the controller of risks. He is the risk conserver, the essential partner of the risk taker. However, not usually of great consequence at the start. The risk taker does not readily release his grasp and frets at restraints that would obviously have impeded his progress in the past. Nevertheless, as size increases, the steadying influence of credit control becomes more and more apparent. Other duties of a conserving character are added. Accounting, expense control, statistics and perhaps the general responsibility for stocks, are gradually gathered within his risk controlling influence. The tender shoot becomes a main branch, with the title of Comptroller or even of Treasurer.

It is, of course, impossible, to prescribe the exact order of events by which the credit manager is installed and developed. Often his start is through the duty of collection since the resistance to payment is an important practical test of a credit situation. His influence varies from one business to another and with

(Continued on page 25)

My Rightful Position

How Shall I Attain and Hold It?

By a Credit Manager

"THE credit department manager is, and should be, far superior to the purchasing, production, or sales department managers; he should function under the direction of the president on an equality with the auditor, treasurer and general manager," is the opinion expressed by Z. B. Hampton of the Fairmont Supply Co., Fairmount, West Va., at a conference of credit executives at Charleston. In describing further his conception of the status of the Credit Manager, he said:

It is easy to pay the Credit Manager a large salary, place him in the position in which we think he rightfully belongs; but the man himself must make and maintain his position—in the opinion of both his employer and his fellow employees.

In order to maintain this position the Credit Manager should be familiar with the accounts receivable ledger, should have a knowledge of his customers' business, cultivate their acquaintance and confidence—being very careful in opening new accounts and watching their progress and developments—make all collections, assist in stimulating and promoting sales, and have a thorough knowledge of the local and national credit and general business situation. He should co-operate with, encourage and lend assistance in any way possible to all other departments and managers, for it is only by the co-operation of all departments that great commercial and financial organizations can be built.

Credit Manager's Co-operation

How can he co-operate with and assist other departments? It is well for the Credit Manager to confer with his president from time to time, cultivate his confidence, advise and receive advice in regard to general business conditions, present and future, and assist the president in estimating sales and collections for the coming year. By so doing he can greatly assist the president in directing and planning the purchasing, production, and improvements. The

president's knowledge of the general conditions will greatly assist the Credit Manager in analyzing the business trend in different localities, to the end that he may formulate an intelligent credit program.

The Credit Manager can render a great service to the treasurer by keeping him advised as to the accounts receivable, sales, and estimated collections for the coming year. This information will assist the treasurer in formulating an intelligent financial program for the company.

The accounting department or auditor and the Credit Manager should work very close together. The auditor should furnish the Credit Manager with all the debit and credit items to all customers' accounts, in order that the Credit Manager may make collections at the proper time—the Credit Manager can assist the auditor by keeping him advised of all complaints and adjustments affecting the customers' ledger.

Assisting the sales manager in every way possible, *the Credit Manager should be the biggest salesman in the organization.* He should make the decisions in connection with the cancellation of orders and the return of merchandise. He should have a hand in all increased sales efforts. Closely watching each account, noting all decreases of sales to each customer and analyzing the cause, he can take the necessary steps to regain the business which has been temporarily lost. Also by his knowledge of the business trend in different localities, he should know the amount of business available and aid in directing the sales effort in such a way as to obtain the maximum sales with a minimum of effort and expense.

The Credit Manager should encourage the sales department to co-operate with him. The Sales Manager can render this mutually beneficial co-operation as follows:

First, by furnishing to the Credit Manager information in regard to large orders which the sales department is trying to secure. With this information the Credit Manager can

often obtain the necessary credit information in advance and thereby eliminate any delay in filling the orders when obtained.

Second, by assisting the credit department in obtaining credit information. There are forms in use now by many concerns to be filled out by the salesman on all new customers obtained by him. This practice is not only desirable, but necessary. In addition to this the salesman should at all times obtain for the credit department all available credit information, both favorable and unfavorable, in regard to old customers.

A Copy of the Statement

Third, by lending aid in collecting accounts. It is a good idea to give each salesman a copy of all customers' monthly statements in his territory. By studying these statements, he soon becomes familiar with the manner in which each customer pays and will almost unconsciously begin rendering valuable assistance in collecting accounts. In addition he should assist in securing settlements of any and all accounts which are difficult for the Credit Manager to obtain.

Fourth, by encouraging the salesmen to come in and discuss with the Credit Manager the accounts he turns down. There is an old idea among salesmen that the Credit Manager is his arch enemy. That he delights in turning down orders and in any way possible interfering with the work of the sales department. Why shouldn't the Credit Manager change this idea by taking the salesman into his confidence, if possible *before turning down the orders*, convincing them that these customers are poor risks and should not be sold. The Credit Manager should impress upon the salesmen that he is genuinely sorry not to be able to extend credit, rather than allow them to believe the Credit Manager takes delight in turning the customer down.

Finally, by making each salesman an Assistant Credit Manager. This will lead to friendship, confidence and co-operation and will forever put an end to differences and misunderstandings between the departments.

Convention Plans Under Way

Seattle Prepares for N. A. C. M. Gathering, June 1928

By E. C. Martin



SNOQUALMIE FALLS

One of the many falls that are to be found along the mountain streams. The falls shown are only two hours from Seattle.

"SEATTLE is without doubt the keystone of your Western Empire. Its picturesque majestic harbor, surrounded by the snow-crested peaks of its great mountains, made a profound impression on me. I shall never forget it. It is a city of tremendous growth. It is marvelous that within such a few years a settlement should grow to such a great world city."

In these words, the great Joffre of France described his feeling about Seattle, when he was asked, after his tour through the United States, what American city impressed him most. This city, which produced so intense an effect of power and beauty on Joffre, is the city which the credit fraternity will visit and enjoy during the Convention of 1928, June 10-15. Already many plans have been made and committees appointed to perfect each detail of the week's program.

For the entertainment of the Convention delegates, there are several interesting trips available in and around Seattle. Secretary John A. Bennett of the Seattle Association of Credit Men, says that the Convention Committees are planning one sight-seeing trip around Puget Sound, with stops at points of interest and luncheon at one of the beach-

es or parks, and possibly to include a trip to the U. S. Navy Yard at Bremerton. A trip to the San Juan Islands, which would give an opportunity to see the splendid scenery of the Islands and the shoreline, is an alternative. Another alternative is a visit to the beautiful rural city of Victoria, B. C., which has been characterized as "more English than England", on one of the many liners plying between the two ports. Of course, most of the Convention delegates will probably find an opportunity to visit Mt. Rainier, which presides over the city, and dominates its view.

Mr. Bennett says: "This will be a wonderful opportunity for Eastern and Central delegates to see our section of the country at its best, and to make a combined business and vacation trip. If time will permit, they should try to extend their sojourn to include a trip to Alaska, which can be conveniently arranged from here. In fact, several of the steamship companies are now making up their sailings to accommodate Convention delegates."

The General Convention Committee consist of the following: J. J. Hayes, Westinghouse Electric Company, Chairman; J. A. Taylor, The Charles H. Lilly Co., Vice-Chair-

man; C. P. King (director, National Association of Credit Men), A. M. Castle & Co., Vice-Chairman; W. S. Gruger, The Imperial Candy Co., Vice-Chairman; O. L. Woods, Fisher Flouring Mills, Vice-Chairman. On the Executive Committee are: Ralph S. Stacy, Vice-President of the Dexter Horton National Bank; A. O. Larson, Seattle Cap Mfg. Co.; J. K. Jamieson, Lowman & Hanford Co.; A. P. Hull, First National Bank; Charles E. Wicks, F. S. Lang Co.; P. R. Bergman, Black Mfg. Co.; Rex L. Alexander, Olympic Steel Co.; Mrs. O. L. Woods.

The following committee chairmen have also been appointed: *Finance and Budget*, Ralph S. Stacy, Chairman; *Speakers*, C. P. King, Chairman; *Transportation*, A. O. Larson, Chairman; *Hotels*, J. A. Taylor, Chairman; *Publicity*, J. K. Jamieson, Chairman; *Entertainment*, A. P. Hull, Chairman; *Automobiles*, Charles E. Wicks, Chairman; *Halls and Decorations*, P. R. Bergman, Chairman; *Reception*, Rex L. Alexander, Chairman; *Ladies' Executive Committee*, Mrs. O. L. Woods, Chairman.

Benjamin B. Tregoe, Manager of the Western Division, National Association of Credit Men, has been selected as Convention Director.



Part of Seattle's famous waterfront is shown above, with the business district in the foreground, and the Cascade Mountains in the distance.

The Credoscope

By Stephen I. Miller

Executive Manager, Secretary and Treasurer, National Association of Credit Men

The "Lone Eagle"

FOR ages the eagle has been a symbol for courage, daring, leadership and defense. Therefore, it does not surprise one to find this symbol being used on coats of arms, flags, coins, and in a hundred other ways. The eagle, being independent and much alone, may easily convey the thought of liberty; as monarch of the air, expresses vastness, discovery, and vision; with eyes that look down from the clouds and from the mountain top, conveys the idea of alertness, protection and guardianship; with an expanse of wings and well poised body, translates to the thinking world the conception of endurance, speed and grace. Probably there has been no living thing, save man himself, that has been so universally recognized as the embodiment of power and leadership.

At present, when life is rapidly becoming more complex, the individual is likely to be overlooked. The young bank clerk may be one of twenty, of a hundred, of a thousand, in his organization; the office employee has a million competitors; the factory worker may be known by a number; the graduate of a school passes out into the world as simply one of ten thousand others. It occasions no surprise whatever when a man of today says, "What chance have I in my organization, where you are not even known to the men higher up?" Our present complex life, with vast organization, is doing much to take enthusiasm and inspiration out of young people.

The average man wants to be an eagle, but concludes that he is a sheep. This conclusion is a natural one. It is exactly what one might expect from the 999 in a thousand. It falls in line with the law of averages and constitutes one of the finest alibis for

mediocrity. It is a symbol of the sheep, and not of the eagle.

I pick up a volume from my study table, and slowly turn the pages in search of a thought of many years ago. Here it is. Read it carefully, for it well represents the flight and the power of the eagle: "The present is the time of all times for the individual man, the individual will, the individual mind, the individual energy. It is pre-eminently the day of the individual character, of the independent citizen. It always goes back to the individual, the single man, the single woman. When one analyzes an organization he invariably finds that the creative power, the driving power, may be traced to the individual—some times one, some times two—rarely more; the difference between the great and the small is merely a difference in individual enthusiasm. Every great institution is but the lengthened shadow of a single man."

Is this thought merely the fancy of a poet? Is this a splendid theory, a will-o'-the-wisp, that is fulfilled only in the realm of dreams and imagination? The answer will depend upon what you have experienced, what you have seen and the extent to which you have analyzed life. My own observation teaches me that success comes to the lone man, the lone eagle; that it is necessary to analyze leadership with only reasonable care to find that the power of the individual man is almost infinite; that progress depends upon a few fundamental principles of life; that the vast organization of today is but the army that needs staff and line officers.

Let us go out in the field of business and make a few observations. In the Middle West is an association of credit men which three years ago had nothing but \$10,000 in debts, a bad reputation and a negligible membership. Today this association is ren-

dering invaluable service to its four hundred members, has built up a substantial surplus and enjoys a fine reputation throughout the United States. While all this has been taking place in a city of the West, an association in the East, which a few years ago had a substantial financial reserve, a large membership, and splendidly equipped bureaus, now occupies a position of well defined and positive failure. Will one find an explanation of this contrast in industrial changes, luck, or the inconsistency of human nature? Not at all. The answer is so definite as to leave no doubt whatsoever. In the Middle West a lone eagle, one lone man, constituted the driving power which converted opposition into support, failure into success; in the East one lone man, inheriting a splendid organization, has already drifted upon the rocks. Evidently a few men can build for themselves, others can not even hold what is given to them.

Each Day Nearer Goal

Going into a little more detail, we find that the man in the West had the vision to lay out a plan and the enthusiasm to carry it through. Each day he made it a part of his program to see one delinquent member, to drive one well directed nail into his structure. This man knew the value of time. Each day meant an opportunity to take at least one step toward his goal. He believed in the principle of attrition, the gradual solution of a problem by a slow and constant bombardment. He had enthusiasm, inspiration, energy and leadership. Needless to say, the man of the East could do only what he was told to do, as a matter of fact this is saying too much, for it is frequently impossible to get even an answer to a communication directed to him. He does not spark; his wires are grounded. He might make a fair soldier, but doesn't

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qualify as a captain. There is no doubt about it. Some men have the imagination, the ability, the co-operation and the vision for success, while others do not command these necessary and fundamental attributes. The leader very often looks away to the distant horizon, mediocrity keeps its "nose to the grindstone;" vision makes a reconnaissance before putting the army in motion, while the unimaginative plods on with eyes directed to the ground.

The field of credit is well typified by the eagle—"In Defense of the Nation's Receivables." It is the Credit Manager who must carefully analyze the financial and personal integrity of business houses. He must have information at his disposal and know how to use it. He should know the entire economic background of marketing and should be able to interpret industrial trends. The respect and responsibility enjoyed by the Credit Manager will be in direct proportion to his power of leadership.

Stakes His Own Claim in His Profession

There are not hours enough in the day, days enough in the year, years enough in a life, to exhaust the rich economic material which constitutes the basis of a Credit Manager's field of work. In this thought is to be found the first recipe from the book of business experience,—a recipe for making *ability*. It must be remembered that the Credit Manager stakes out his own claim, his own professional boundaries. He can make the claim broad or he can make it narrow. As he defines his field of work the world defines him. The difference between a vocation and a profession is study; the one depends almost entirely upon experience, the other upon a background of scientific preparation.

There is another requirement in executive success that is very often overlooked. I refer to the attribute of *personality, presence, self-expression*. If the Credit Manager is to be something more than a mechanic he must have personality. Some people define personality as a "slap on the back," or "have a cigar, Bill." This may suffice for the politician, but it isn't quite strong enough for the business executive. If one were asked to submit a recipe for personality in the cook-book of success, very good re-

sults would be obtained from the following mixture of units:

- 5 cups of ability.
- 4 cups of sincerity.
- 3 cups of humanity.
- 2 cups of imagination.
- 1 heaping tablespoonful of humility.

Stir thoroughly in a container of self-expression. Place in the oven as soon as possible, and bake for a lifetime.



"With eyes that look down from the mountain top."

Assuming, then, that the power of many Credit Managers and Secretary-Managers of Credit Associations may be great; that they may be "lone eagles" in their respective fields of work; recognizing the fact that power and success rest upon ability and personality,—then what is most helpful in the acquisition of ability and in the development of personality? I believe the following program will bring more dividends than an investment in the best Liberties on earth:

Study and Discuss

First. Sign up for correspondence in the National Institute of Credit. Better still, join the class in economics, analysis of financial statements, or credits and collections in the local Association. Study one hour a day

and meet two hours each week for group discussion.

Record Ideas

Second. Create a card index system for the registration of thoughts and experiences. There is not a man on earth who does not come into possession of some fundamental idea each day of his life. The first step in progress is to recognize the idea; the second step is to record it; the third step is to review it; the fourth step is to use it. The following verse clearly expresses the thought:

"What's left undone today
Tomorrow can not do;
With resolute, courageous trust
Seize every possible impression
And make it firmly your possession.
You'll then move on
Because you must."

Analyze Success

Third. Each month develop at least one interesting contact with a successful man. Begin your "book of contacts," writing out a one-page analysis of the causes for the man's success. In five years you will have become the author of the most valuable book in your home.

Learn Expression

Fourth. Every other year join a class in public speaking. The power to express clear thoughts clearly is one of the greatest possible values for meeting individuals, committees and audiences.

The above program can be adopted by any man or woman, at any age, in any place of business activity. There are no rewards offered for its completion, for it can never be completed. Dividends will be paid daily, there will be no taxation on the investment. Thirty thousand people may read this Credoscope entitled "The 'Lone Eagle.'" If one man or woman in the North, East, South or West should accept this challenge and start his or her non-stop flight, then the business world will give recognition to another ambassador of success.

The Monthly Letter

EXECUTIVE Manager Miller's Monthly Letter for January contains: A Message, Bad Debt Losses, Our Adjustment Service, We are *All* Involved in Foreign Trade, and A Survey of Business Conditions in Massachusetts, Rhode Island and Connecticut.

The Cop Horned In

By F. S. Hubbell

WHEN Patrolman Collins, sauntering down the avenue at midnight, observed the flock of taxicabs standing at the curb several blocks down the quiet street, he surmised that they were waiting to pick up fares from a social gathering in a nearby apartment house.

"Another weddin', I'll guess," he remarked to the cardboard waitress standing in the corner drug store window, handing forth a glass of Fizz to the passer-by. "No thank ye, mom," he told the waitress; "I'll possibly be gettin' a colder wan, with

hot stuff in it, from the party up ahead."

He ambled on down the deserted sidewalk toward the line of cabs; and as he neared them he noted no signs of the looked-for wedding festivities. The houses were dark; no loud voices, no laughter, no evidence of a party explained the presence of the driverless taxis parked closely in front of Furnman Brothers' store.

"Monkey business is brewin', 'tis likely," he said to himself, and added, "If 'tis bandits, they get bolder and bolder every day o' me life."

Light showing around the drawn shades of the Furnman store led him to the door of the shop. He drew his revolver and gently pushed the door, which at his touch opened a crack. He swung it open wide, and stepped inside.

"Keep still, all of ye," he commanded, glaring in his best copper's manner at the six men in the store; "and put yer hands 'way up where I can see 'em plain."

Twelve hands as one sought the ceiling.

Before Officer Collins could pro-



One Month's Convictions

Obtained by Credit Protection Department National Association of Credit Men, Oct., 1927

| CASE | PERSONS CONVICTED | CHARGE | SENTENCE |
|---|---------------------------------|--|--|
| Crown Furniture Co. Brooklyn, N. Y. | Hyman Emanuel Harry Green | Conspiracy to violate the National Bankruptcy Act | Six Mos. Each |
| Green Furniture Co. Brooklyn, N. Y. | Harry Green | Conspiracy to violate the National Bankruptcy Act | Six Mos. |
| Klein Bros. Brooklyn, N. Y. | Louis Klein Nathan Kleinrock | Conspiracy and Concealment | Six Mos. 15 Days |
| Chain Dairies Brooklyn, N. Y. | Samuel Bierman | Concealing Assets | 18 Mos. |
| Central Beef & Provision Co. Bristol, Conn. | Albert Bernstein | Concealment of Assets | Fined \$75 and suspended sentence |
| The Reliable Store New Bern, N. C. | A. S. Hatem | Violation of Section 215 | Three years imprisonment |
| K. K. Hameed, et al. Smackover, Ark. | Solomon Fandey Zaid Fandey | Concealing Assets | 18 Mos. Fed. Pen. 30 Days County Jail |
| R. Binder Clarkdale, Miss. | R. Binder | Concealment | \$1000 fine and \$2000 turnover order |
| L. Borodofsky Ruleville, Miss. | L. Borodofsky | Concealment | Fined \$1000, \$500 turnover order |
| Joe Abraham Shaw, Miss. | Joe Abraham | Concealment | \$1000 fine, \$150 turnover order |
| The Lubbock Dress Shop Lubbock & Berger, Texas | Hallam Rahal | Concealment | 3 Mos. in County Jail |
| Samuel Levin Louisville, Ky. | Samuel Levin | Violation Section 215 U. S. C. C. | \$100 fine |

Suggestion: The above information will enrich your credit files!

ceed," Joseph Furnman suddenly burst into speech—he was highly wrought up.

"What're you buttin' in for," he demanded to know; "can't we move some stock without the police horn-in?"

"Don't get gay, me lad," Collins advised him. "It depends on whose stock you're movin'. This is your goods, I suppose," he added sarcastically, "an' I suppose you're movin' the stuff at midnight with the curtains pulled down instid of in the daytime because you're a free citizen and entitled to yer rights; and you'll use yer influence with the Commissioner to get me fired, and all the rest of it. Who are ye, anyway?"

"My brother and I own this store," Joseph volunteered. In his excitement, he brought down his hands and pointed to the brother, beside him.

"Watch the hands, big-boy," Collins cautioned; "I don't want to have

to clean this gun after this. If you and yer pal own this place we'll soon find it out."

He used the store telephone for a moment, and brought two detectives from his precinct station. The plain clothes men routed several neighbors from their beds and brought them into the store, where they identified Joseph and his brother John as the proprietors.

Collins and the detectives withdrew reluctantly. The waiting taxicabs were loaded with the merchandise and were driven away, leaving Patrolman Collins with the conviction that all was not well in the deportment of the Furnman brothers.

Five days later, when an involuntary petition in bankruptcy was filed against Joseph and John, the officer's suspicions rested on fertile ground. At the station house he told his story to investigators of the Credit Protection Department of the National Association of Credit Men,

who had been assigned to the case on complaint of creditors and who had soon learned of the cop's intrusion on the midnight moving party.

Patrolman Collins was one of the star witnesses at the trial of Joseph and John. The neighbors who were summoned to the store by the detectives also took an active part. It was proved that the stock moved on the night of the officer's armed invasion was part of a large quantity of merchandise sold to a fence by the Furnman brothers in a conspiracy to conceal assets.

Joseph got a year and a day, and John got six months.

Patrolman Collins, who knows plenty about crooks, said after the trial that Joseph and John didn't fool him for a minute.

"As Saint Patrick would be sayin'," he observed, "'A bandit by any other name, or occupation, is still a crooked cuss.'"

Saving the Assets

How This Is Accomplished by the Adjustment Bureau

By Thomas O. Sheckell

Mgr. Adjustment Bureau, Inter Mountain Association of Credit Men, Salt Lake City



T. O. Sheckell of the National Association of Credit Men than under almost any other form of liquidation.

I have in mind the case of the Burton Mercantile Company at Afton, Wyoming, a case recently handled in the Bureau of the Inter Mountain Association of Credit Men wherein we offered for sale in a formal manner the assets of the business, particularly a stock of merchandise and fixtures, which inventoried substantially \$14,000. The highest bid received was \$5,000 cash. We called in a creditors' advisory committee to open the bids and recommend the refusal of even the high bid, believing that we could get a better price. We sent our adjuster to the place of business, which was

in a remote part of Wyoming, far from the railroad, and, being unable to get the highest bidder to purchase at our price, we put on a retail sale and realized from the stock and fixtures \$10,551.34 at an expense of \$845.27, making the net returns to creditors \$9,706.07—almost twice the amount of the bid. Under almost any other procedure, the bid would have been accepted and the creditors would have suffered.

Compare this result with a bankruptcy case at Ogden, where the estate was of about the same size. Bids were asked for and the highest bid, which was 30 cents on the dollar of inventory, was accepted and confirmed by the Bankruptcy Court. A banker at Ogden was a creditor in both cases. He is now very favorably inclined toward handling of such matters by the Bureau, although he previously was opposed to the adjustment bureau idea.

Our Adjustment Bureau at Salt Lake City handles substantially 88 per cent. of the failures in which our members are interested. In our twenty-six years of experience we

feel that we have gained the confidence of the credit grantor. It has enabled us year after year to pay dividends of substantially five times in friendly adjustment those paid in bankruptcy proceedings and substantially twice those paid in matters handled by others than our bureaus in bankruptcy.

The saving of assets of an estate may be accomplished in more ways than one. In the first place, the diagnosis of the trouble and the selection of a proper remedy is an all important one. It is wasteful to liquidate a business that by constructive adjustment can be nursed back to a healthful going concern and conversely expensive to creditors to attempt, to rehabilitate one that shows no signs of life. It is foolish to petition a debtor into bankruptcy when nothing can be gained thereby. I would say therefore that the first saving is accomplished in the selection of a remedy, by a skillful analysis of the business. Unskilled and inexperienced adjusters, creditors' committees, attorneys and friends of

the debtor are costly experiments in this business of salvaging for creditors. On the other hand, an Adjustment Bureau equipped with men who know the salient points to look for, who have the experience of other adjustments as a background, and a guide, whose every activity is surrounded by the safeguards prescribed for trust business can more skillfully investigate the trouble and prescribe the remedy.

Marshalling the Assets

The second argument I will advance is the ability of our adjustment bureaus to more carefully marshal the assets. In every mercantile failure there are many things to be looked into. Little items that in the aggregate total big sums for the payment of the debts of the estate. The protection of the assets by proper insurance, safeguarding the receivables by getting possession of the books of account from which evidence of them may be had, looking after the cash on hand or in bank, realizing on equities in property so frequently purchased on retaining title, note or conditional sales contract, proper inventories and appraisals, seeing to it that the creditors are given a fair deal in pricing the inventory. Many are the duties of marshalling the assets and we find so frequently where matters are handled by others than these bureaus that much is lost to creditors by delays and lack of knowing what to do next, lack of courage sometimes. We had a recent experience in point, an attorney took assignment for the benefit of creditors and locked up the store. He proposed to keep it locked for four months or until the period for petitioning the matter into bankruptcy had passed. The rent would have eaten up the small assets of that estate had we not been able to induce him to sell the stock in bulk at once.

The third line of defence of creditors' dividends comes in the marketing of the assets. We think that to sell the merchandise and fixtures in bulk quickly is far better than attempting to run the store and from profits pay off the creditors. If the merchant can't run it successfully the chances are we can't. This is not true all over the country, but we found in our locality that it is better to take the loss quickly and we therefore have a policy not absolute, but

Savings for Creditors

CITING specific cases, Mr. Sheckell shows how much more economical it is for creditors to recognize competent Adjustment Bureaus than to trust to the bankruptcy courts where their interests are not always safeguarded with every possible care.

Part of the article herewith is a summary of Mr. Sheckell's remarks at the Louisville Convention of the National Association of Credit Men, together with an account of more recent instances of Adjustment Bureau service.

we have a policy there to sell the assets quickly.

Creditors' advisory committees always have a voice in passing on the bids when they are received. They usually know the stock, even better than we do and know very well whether the bids made are fair, and I challenge you what other medium of liquidation offers creditors the opportunity of control that these friendly adjustments through our bureaus offer?

In the realization on other assets and the clearing them up lies other means of increasing the dividends to creditors. The receivables are usually subject to heavy depreciation, especially in the hands of one not equipped to handle them. They are doubly hard to collect after failure has become public property. Realizing this some years ago, we established in our bureau a department whose business is to collect the accounts receivable of estates assigned. By doing so we have raised the average collection on such receivables from 15 per cent. to better than 50 per cent. We had a case recently wherein we collected 100 per cent. of the receivables and the business was an undertaking business.

One of our men from this department is on the job just as soon as possible and usually plans to get back by payday, calling on the various parties who owe the debtor. Notes are taken where payment can not be had and such security as it is possible to get. I met an adjuster driving in a flock of sheep he had taken in payment of an account.

My fourth argument is along the line of expenses. Reduced expenses mean increased dividends, and increased dividends, happy creditors.

Cutting Down Expenses

When the assets that look so promising on the last property statement are reduced to cash, it is usually a considerably different story, but when that cash is subjected to endless deductions for expenses, before a pro rata distribution can be made to creditors, it is then that the services of the well-organized adjustment bureau are appreciated.

The records of expenses and payments in friendly adjustments of the bureau scattered over the country, as compared to bankruptcy or other proceedings, are an argument in favor of the bureau's bid for confidence and support. I can tell you of many cases that have come before our bureau, where involved estates have been so handled that not only were creditors paid in full, but they left the business a going concern, rehabilitated and a friendly argument for the concerted action of creditors. I can show you numerous cases of liquidation where it was necessary to wind up the affairs of the debtor, that have been made and substantial dividends paid to the interested creditors in many cases without any such item as an attorney's fees, court costs or some of those larger items that so materially cut into the assets of an estate.

One hundred per cent. dividends are not rare in our bureau. In fact, in the year just closed, and our fiscal year ended the first of May, we closed twelve estates wherein dividends in excess of 85 per cent. net had been paid and our average expenses in such cases was 7.3 per cent. In a case in which we were interested, R. C. Miller, who made assignment to the Guaranty Trust Company of Idaho Falls, after months of effort we finally obtained an accounting from that trust company, which showed total receipts from liquidation of \$4,262. But they only had \$7.74 to distribute to the creditors. Their creditors' claims were over \$15,000. They reported such expense items as auto expense \$943, traveling expenses \$517, and yet they were located less than thirty miles from the place of business. Auditing expense of \$115 and legal expense of \$311.

(Continued on page 27)

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Newspaper Credit Managers

Handle Four Distinct Varieties of Accounts

By J. V. Minon

Evening Courier Morning Post, Camden, N. J.

Chairman, Newspaper Group, National Association of Credit Men



J. V. Minon

THE newspaper credit manager has no merchandise stock rooms or monied vaults to guard, but in the world of credit he is a factor affecting nearly every merchant debtor. When the credit manager of a manufacturer passes an order in favor of a distributor does he consider that the newspaper advertising of the distributor is usually an essential in the final settlement of the account?

The credit accounts of a newspaper are divided into four classes:

(1) *The Local Display Accounts* are those that are opened for businesses operating not more than say fifteen miles from the newspaper plant.

(2) The advertising agencies that broadcast national advertising campaigns for large manufacturers and distributors are classed as *National Accounts*.

(3) *Classified Accounts* are those opened for the convenience of advertisers who use want ads for rooms for rent, real estate for sale, etc.

(4) Newsboys and news dealers who handle the daily papers are classified as *Circulation Accounts*.

Each classification represents a distinct type of credit risk and generally the terms of payment for each classification are somewhat different. Very little difficulty from the standpoint of collections and bad debts is experienced with the National Accounts. Most newspapers require that the advertising agency establish its financial responsibility with either the American Newspaper Publishers Association, with headquarters in New York City, or the Advertising Agencies Association, with headquarters in St. Louis.

Through the medium of these two organizations, the newspaper is generally notified from time to time of any changes in the financial rating or responsibility of the different agencies.

With local display accounts the newspaper credit manager must use considerable tact and discretion. These accounts constitute sixty per cent. of the receivables of the average newspaper. Furthermore a great many retail advertisers depend on seasonal sales, and, of course, during dull periods their accounts must be carried beyond the usual terms.

The Non-Contract Advertiser

Classified accounts are sub-divided as to the nature of the advertising. The larger users of classified advertisements usually sign contracts with terms the same as the display advertising. The transient or non-contract want ad users are really extended credit on the basis of their standing with the telephone companies. The element of chance in collecting from this class of advertiser appears to be very great, but on the contrary, newspapers seldom lose more than five per cent. on their transient advertising volume.

On the circulation accounts, the news dealers constitute a class of fairly good risks, but when newspapers are compelled to open accounts with newsboys (generally minors),

then, of course, the risk increases considerably. There is absolutely no legal redress. The losses are heavy in comparison with other classes of newspaper accounts.

The newspaper credit manager was virtually unknown until about ten years ago at which time publishers began to realize that although volume of advertising sales was a prime essential, the excess of bad debts not only retarded the newspaper's financial progress, but acted as a deterrent to repeat orders. As a result, newspaper owners and publishers created credit departments within their organizations; and about five years ago the National Association of Credit Men banded the newspaper credit managers together in order that there might be a freer interchange of information and a wider discussion of the particular problems of newspaper credits.

An Active Trade Group

Today the Newspaper Credit Group of the National Association of Credit Men constitutes one of the most active trade groups of the Association. Its meetings at the Association's annual convention are well attended and are productive of a great deal of valuable co-operation.

The newspaper credit manager's main problem lies chiefly in the fact that he has to deal with all classes of trade. As the characteristics of each class are essentially different, he must analyze the conditions of each class both from a financial and a moral standpoint. He is aided a great deal in his analysis by the Credit Interchange Bureau of the National Association of Credit Men. The local credit agencies and references are also used to good advantage.

Are You on Board?

ANY newspaper credit manager not already a member of the group is invited to write to the author of this article. Address: J. V. Minon, (Chairman, Newspaper Group, N. A. C. M.), Credit Manager, Courier-Post Co., Camden, N. J.

Answers to Credit Questions

National Association of Credit Men

One Park Avenue, New York

Dunning

Q. Can you give us information as to the propriety of taking up past due accounts with the employees of a debtor while the debtor is absent, or by telephone or telegraph?

A. There is nothing to prevent a creditor from asking a debtor, or the debtor's agent or employee, as to the probability of payment or the reason for non-payment or delay in payment. Care, however, should be taken at all times to avoid any imputation or insinuation of fraud or dishonest intention on the part of the debtor.

For information on dunning by telegraph, refer to page 482 of the Credit Man's Diary and Manual of Commercial Laws 1927, and also to the general remarks on Libel and Slander on pages 484 to 487.

Landlord's Liens

Q. What are the rights of the landlord in the following case: A ships goods, on consignment, to B in Georgia and B's landlord gets a distress warrant against B and seizes all goods on the premises, including those A had shipped to B on consignment?

A. Section 5390 of Park's annotated code of Georgia for 1919 expressly limits distress to goods of the debtor tenant. As the tenant got the goods on consignment they were not his but the consignor's. Sec. 5392 provides for the filing of a bond and recovery of his goods by the consignor in such a case, but the title must be tried out in court. The Georgia statutes for 1927 are not yet available and the above may possibly be subject to modification by reason of some Act of the 1927 legislature of which we are not advised.

Post Dated Checks

Q. Can a post dated check received before the death of the maker be collected after the maker's death on the date it is payable?

A. As a general rule the death of the drawer of a check operates as a revocation of the authority of the bank to pay, and the bank is liable if it pays after notice of such death; but a bank incurs no liability by the mere fact of paying a check after the drawer's death, where at the time of such payment it did not know the fact.

Sales Contracts

Q. A seller of merchandise prints one of the following statements on his

As To Legal Advice

THE National Association of Credit Men supplies answers to credit questions and some of the answers, of general interest, are printed regularly in the Credit Monthly. Advice cannot be given, however, regarding legal rights and liabilities. Such advice should be obtained from an attorney to whom all the facts should be stated. When such inquiries are received, information is furnished only as to the general principles of law involved.

—E. P. P.

invoices which are mailed to the buyer at the time the goods are shipped:—"These goods were shipped in perfect order. Any claims for damage must be made upon the transportation company. In accepting this memo, buyer agrees that title does not pass until goods herein mentioned are paid for in full."

"In accepting invoices referred to below, buyer agrees that title shall not pass until goods therein mentioned are paid for in full, and that all claims must be received within ten days from receipt of goods. Notes not accepted as payment."

Are these forms, or either of them, sufficient to enable the seller to retake the goods in the event of default in payment or in case of the bankruptcy of the buyer?

A. This question involves a fundamental principle of the law of contracts. An order for merchandise is an offer to purchase and must be accepted upon all the terms and conditions incorporated in the order.

If the seller does not choose to accept the order as placed, he may make a counter-offer. This counter-offer is subject to acceptance or rejection by the buyer.

If either the original order or the seller's counter-offer are accepted, a contract is made. Applying these principles to the above situation, the result is as follows: The buyer has ordered merchandise from the seller and has offered to pay for the same, let us say, in thirty days after shipment. The seller upon receiving the order, does not care to accept these terms of credit, but without first sending a written acceptance of the order, prepares the goods for shipment and sends them to the buyer, accompanied by an invoice bearing either one of the statements quoted above. The

statement contained on the invoice in such a case becomes a counter-offer under which the goods are tendered to the buyer. If the buyer accepts the goods, he agrees to the terms of the counter-offer.

On the other hand, if the seller had first accepted the order as placed, the terms printed on the invoice would be a nullity insofar as they were an attempt to impose new conditions.

As between the parties themselves, there would not seem to be any question but that either of the statements quoted (if a part of the contract of sale) would be sufficient to retain title in the seller until the goods were paid for, and that if the goods were not paid for in accordance with the terms of the invoice they could be retaken.

As against a trustee in bankruptcy, however, or against any third person, neither of these provisions would be valid in most states unless the memorandum reserving title were executed in accordance with Conditional Sales Law and filed or recorded in the appropriate office.

For the filing and recording requirements affecting conditional sales in the several states, see Credit Man's Diary and Manual of Commercial Laws.

Stockholder's Liability

Q. (a) If a subscriber to the stock of a New Jersey business corporation has paid his subscription in full and the corporation subsequently becomes insolvent and is not dissolved, is the stockholder liable to the creditors? (b) If he has subscribed for \$5,000 worth of stock and only paid in \$3,000 is he liable to the creditors?

A. Generally it is to be borne in mind that the fundamental idea of incorporation is to limit the personal liability of those who are courageous enough to undertake the risks of business. Our understanding has always been that, except in the case of monied corporations, such as banks and the like, a stockholder can never be held responsible to creditors for any more than the amount of money he has contributed, or agreed to contribute to the enterprise. The laws of New Jersey seem to conform, in these respects, to the general rule; accordingly, the answer to (a) is "No" and the answer to (b) is: If the actual capital of the corporation shall be insufficient to satisfy its debts, each stockholder shall be bound to pay, on each share held by him, the sum necessary to complete the amount of such share as fixed by the charter of the corporation, or such

(Continued on page 36)

Prompt Premium Collections

Vital Credit Problem of Insurance Companies

By Ralph W. Smiley

The Metropolitan Casualty Insurance Company of New York

SEVERAL informative articles in the CREDIT MONTHLY have set forth how and why casualty insurance has become a basis for credit. They have shown that credit would collapse without insurance, just as business would collapse without credit. And the final conclusion to be drawn is that insurance is entitled to rank as one of the fundamental institutions at the base of our national growth and prosperity.

What the average buyer of insurance does not realize is that the foundational institution of insurance must find its own basis of safety and usefulness in prompt payment of premiums. A similar lack of appreciation probably characterizes the average agent. Each might be tempted to regard as "after dinner rhetoric" the statement that without prompt payment of premiums there cannot be sound assets, dependable protection, prompt claim settlements or efficient administration. Such an assertion, however, is an unexaggerated statement of facts. And the facts bear directly on the interests of the insurance company, the agent and the policyholder.

With some insurance buyers, the payment of premiums is dispatched with methodical punctuality. With others—many others—it is a matter of leisurely procrastination. In an insurance man's "Ask Me Another" book, if he were to write one, would probably be a query as to why so many financially responsible citizens who are firmly wedded to a program of meeting most other forms of obligations with satisfactory promptness apparently choose to assume that their financial relations with insurance company representatives are, so to speak, on a "companionate" basis.

The rapid growth of insurance has meant keen competition between companies in securing agents. It has likewise meant keen competition between agents in securing business. In an effort to reduce sales resistance, it has been easy to use such reassuring phrases as "no hurry about sending your check," "the bill will come

ALTHOUGH the insurance company has its credit problem, this phase of credit work is seldom described. The CREDIT MONTHLY is therefore glad to print this article by one who knows the problem well.

along in due course," and "send along your remittance when convenient." These and other post-sale comments have encouraged the spread of many vicious practices. Similarly, in the competitive campaigns to develop agency organization, it has been difficult for insurance companies to transmit to their representatives a realization of the fact that the extending of long-time credit in connection with the sale of insurance is as much opposed to the financial interests of the agent as it is to those of the company.

Cash Reserves

To one who makes even a superficial study of insurance, it will be apparent that if there is one thing above all others which should be paid for when delivered, that thing is insurance. When an insurance policy is issued and in force, the insurance company has staked a large sum against a fee which, by comparison, is trifling. By so doing it undertakes to pay out the larger sum in the event of certain contingencies arising. It cannot depend upon credit as a guarantee of its ability to pay the policyholder this large sum. Having assumed a substantial liability, it must, from its own resources, set aside a cash reserve as a pledge of performance. These cash guarantees, representing a large aggregate amount for a company writing even a fairly large volume of business, must be kept in a special "reserve" fund. This fund, maintained for the protection of its customers, must come from paid premiums. It is little enough, therefore, to ask the insurance buyer to pay the

premium when the policy is delivered and not thirty or sixty days later.

The fact that "credit accommodation" is a misnomer as applied to insurance is well brought out in a letter recently sent out by President J. Scofield Rowe of the Metropolitan Casualty Insurance Co. to all the company's agents. Mr. Rowe clarifies the situation in the following explanatory way:

We've no quarrel with the saying, "Give credit where credit is due," either in its commonly accepted meaning or as applied to financial transactions.

But under the latter heading let's not confuse instances where credit is due with those where it isn't.

A jobber or retailer, for example, can reasonably ask for credit when he buys merchandise for re-sale because his buying power is regulated by his anticipated profits.

The insurance buyer, however, does not purchase for re-sale. He is an ultimate consumer and, as such, will frequently be willing to follow the time-saving plan of paying at the time of purchase or on delivery. If a "charge account" courtesy is extended, he should expect, at most, only the thirty-day period usually applying to retail purchases.

In many localities insurance agents have joined forces to stamp out the long-time credit abuse by enforcing a CASH basis for all insurance sold. The plan has been most successful where all the agents in a locality support it. If your local association has not adopted such credit rules, YOU have the opportunity of recommending the adoption of such a step.

Give credit where credit is due—but make sure that the credit terms are definitely understood at the time of sale and that they are lived up to by your policyholder.

A Collection Kit

In a further effort, not only to give our representatives the proper angle on the credit situation as applied to insurance premiums but to offer constructive suggestions for transmitting the same ideas to their policyholders, we recently supplied all our agents with a portfolio which is, in effect, a "working kit" on collection procedure. The portfolio contains a brief description of a simple automatic billing and follow-up system—because the average agent is likely to be somewhat short on system. It also

(Continued on page 29)

New Collection Rates

Adopted by Commercial Law League of America

By J. Purdon Wright

President, Commercial Law League of America

THE Commercial Law League of America, founded 33 years ago, now has a membership of nearly ten thousand, composed principally of attorneys in every state in the Union, in Canada, Mexico and elsewhere, specializing in commercial practice, and also includes within its membership representatives of credit and trade organizations, commercial agencies and list publishers.

After nearly three years of intensive study and investigation, there was adopted on August 24, 1927, at its annual convention held in Atlantic City, New Jersey, a revised schedule of uniform rates for the handling of commercial claims and collections as follows:

15 per cent. on first \$500
10 per cent. on the excess up to \$1,000.

5 per cent. on the balance.

Minimum commissions of \$7.50.

Minimum suit fee of \$7.50.

And in no case fees and commissions to equal more than 50 per cent. of the claim.

These rates become *effective on or after January 1, 1928*, and replace the present rates which are:

15 per cent. on the first \$300.

8 per cent. on the excess up to \$1,000.

4 per cent. on the balance.

Minimum commission \$5.00.

Minimum suit fee \$7.50.

With the same rule that fees and commissions shall not equal more than 50 per cent. of the claim.

Attention is called to the fact that no change was made in the basic rate of 15 per cent. nor in regard to claims between \$50 and \$300, nor in the minimum suit fee. As it is a well recognized fact that claims forwarded predominate in amounts between \$75 and \$200, according to the nature of the industry and the type of forwarding agency, association or attorney; or in other words, that the average claim of all types falls well within the bracket where there has been no change in the rate, it is apparent that the increase is almost negligible.

It is also readily seen that the to-

New C.L.L.A. Rates for Commercial Claims and Collections

AS the members of the National Association of Credit Men will be affected by the increased collection rates, effective January 1, of the Commercial Law League of America, the *Credit Monthly* prints herewith the new schedule and an explanation of it by President Wright of the League.

tal commission for handling an item of \$1,000 which is now \$101 will only be increased by the extent of \$24, the percentage, therefore, being only 12 4/10 per cent. instead of 10 1/10 per cent., as heretofore, the difference arising only as to that portion of the claim which exceeds \$300. The increase of 1 per cent. on the excess above \$1,000 is almost too trifling to warrant discussion. During the discussion of these rates in April, 1927, many larger forwarders and representatives of list publishers signified that such a revision of rates would be free from objection and readily accepted.

Increasing Overhead

The general result on analysis of this revision, therefore, appears to be a theoretical rather than a material increase. The question then arises as to why there should have been so much discussion concerning such a moderate revision in collection rates. The answer is readily found in the fact that a materially higher rate was demanded by many attorneys, both members of the Commercial Law League and those not affiliated with it, as being necessary in order to meet the enormous increase in overhead expense since the last revision of rates in 1917. Much publicity had been given to such a proposed schedule and over four thousand attorneys had answered ques-

tionnaires demanding an 18 per cent. basic rate.

The majority of the committee, however, after conducting a nationwide investigation as to the attitude of forwarders and receivers of commercial claims, determined that there was almost as great a unanimity of sentiment among forwarders in opposition to a material increase of rates as there was among the attorneys in favor of such an increase. The committee found that the present rates failed to pay even the overhead of a well organized and efficient office conducted by a receiving attorney and that in many cases commercial departments were conducted at a material loss; that hundreds of reliable and responsible firms of commercial attorneys had abandoned the handling of these items and many others were seriously considering the same step. The mercantile world is entitled to the highest grade of efficiency and the finest type of loyalty and devotion by commercial attorneys who specialize in handling these matters and the irresistible effect of the conditions found to exist by the committee would be that the ablest and most responsible firms of such attorneys would be eliminated from the practice and the patronage inevitably fall into the hands of lawyers of an inferior type, eager to get any business they could on any terms available and seeking their profits not by serving their clients but by exploiting them.

The revised rates effective January 1, 1928, do not fully meet the demands of the receiving attorneys, but they are, after all, a fair compromise of the opposing views, while probably somewhat less favorable to the receiving attorney than to the opponents of increased rates. Over 75 per cent. of the League members have already pledged themselves to abide by the new rates. This was done within a few days after their official publication, which means the

(Continued on page 24)

Accounts Payable

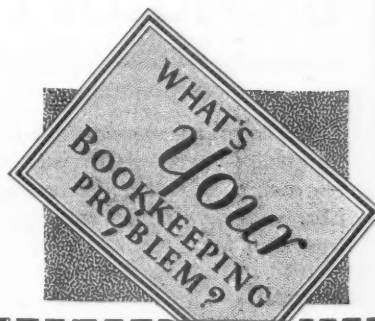
There is a wide variety of new Burroughs machines to assist in controlling every phase of purchasing activity, whatever your problem may be.

Burroughs machines permit the writing of several related records at one operation, such as:

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Only a Burroughs machine can post remittance or vouchers payable records, or purchase journals and *mechanically calculate the cash discount at the same operation.*

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Ledgers with or without remittance advice—journal-voucher system instead of ledger—including registration of invoices

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By clerks and departments, cash, charge and C. O. D.

Stock Records ☐

Of quantities—values—or both quantities and values together

Costs ☐

As shown on stores records, payroll and distribution summaries, cost sheets, etc.

Payroll ☐

On cash or check payments

Accounts Receivable ☐

Ledger and statement in combination—ledger and end of month statement—with or without carbon—skeleton or itemized

Distribution ☐

Labor—materials—purchases—sales—expense—cash

Journalizing and General Ledger ☐

Complete typewritten description, or date and amount only

Name _____

Firm _____

Address _____

When writing to advertisers, please mention the Credit Monthly

New Collection Rates

(Continued from page 22)

establishment of uniformity in such charges, an indispensable factor to the orderly handling of commercial practice, both from the standpoint of the forwarder as well as the receiver. It is therefore certain that assurance can be given that, on and after January 1, 1928, this revised schedule will be thoroughly established. The threatened adoption of "Bar" rates by city and county bar associations in very numerous parts of the coun-

try on a scale much higher than the new schedule, will most surely be avoided.

Apart from the matter of uniformity and the avoidance of confusing and sometimes extortionate "Bar" rates, the paramount purpose and effect of these revised rates will be to enable the Commercial Law League to continue with renewed vigor its relentless campaign to secure prompt, efficient and loyal service by commercial attorneys, to credit men's organizations, commercial agencies and their tens of thousands

of members and subscribers.

The League maintains an office at 137 S. La Salle Street, Chicago, where the executive secretary receives and acts promptly upon complaints and criticisms, suggestions and recommendations, in regard to any phase of the conduct of this commercial service. For over three decades the secretary's office has devoted itself intensively to securing satisfaction to those who apply. When necessary such complaints are referred to special committees known as "Forwarders and Receivers," "Lists and Directories," "Uniform Rates" and many others, and eventually appeals may be taken to the Executive Committee of the League.

A special committee has just been appointed to confer and to cooperate specifically with the Adjustment Bureau Managers of the National Association of Credit Men. Already important conferences have been held looking toward improved service, a better understanding and general cooperation, so that the nation's greatest association of business executives and its outstanding league of commercial attorneys may learn to be mutually helpful and increasingly effective in serving the business interests of this great country.

"We desire to express our opinion of the practical advantage of your publication and of having such an excellent organization of prominent lawyers at its head to which we can refer in time of need. We recently succeeded in defeating claims totalling \$158,000.00 on information secured from your publication."

Rupert B. Turnbull,
Turnbull, Heffron & Kelley, Attorneys
Los Angeles, Cal.

This and dozens of other commendatory letters indicate how valuable this publication is to the *lawyer* and the *credit man* who want prompt, reliable information concerning the bankruptcy law and its operations.

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*Author of several books on
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165 BROADWAY, NEW YORK

John E. Norvell, Organizer

JOHN E. NORVELL, past president of the National Association of Credit Men, has been appointed National Organizer of the Civil Legion which recently held its second annual convention in Cincinnati.

The Civil Legion has a National Advisory Board consisting of 37 surviving war governors, including Charles R. Whitman, New York; Frank O. Lowden, Illinois; and William D. Stephens, California. Its purpose is to perpetuate the fraternal feeling among those who served in the Reserve Militia, Red Cross, Y. M. C. A., K. of C., and other officially authorized activities of the Government during the World War, and to support National preparedness as provided in the National Defense Act.

The 13-Months Year

Tom Masson makes this remark in *Collier's*: "The proposed thirteenth month calendar will help. Most of us want another month in which to pay our bills."

When writing to advertisers, please mention the Credit Monthly

Joseph A. Patrick

THE National Association of Credit Men loses one of its most interested supporters in the recent death of Joseph A. Patrick, the Decker-Patrick Co., Salt Lake City. Active in the Inter Mountain Association of Credit Men, Mr. Patrick served as National Director for three years, from 1923-1926.

In the credit fraternity, national and local, his fortitude, character and ability made him an outstanding personality.

The C. M., a Risk Conserver

(Continued from page 11)

time and circumstance in any one place. In every instance, however, his reason for existence follows the fundamentals behind the division of management. It is of the greatest consequence to him, as well as to the organization of which he is an important part, that he understand well how these principles are applied and the objects they are expected to attain.

The difficulties encountered by the enterpriser have been much alleviated by the separation of the credit function from his duties as promoter; and this regulatory influence has increased in value by the dexterity which grows with constant practice. The separation of function permits the selection from among varying abilities of the type of mind best suited to perform this peculiar task.

His Duties Multiplied

With these as starting points many industries have been able to assign additional duties to the Credit Manager's department requiring similar capacity for supervision and execution. Accounts receivable is usually one; and this extension of the control of credits to a portion of accounting has, with equal logic, gradually included the accounting as a whole. The order routine—with its necessity for speed and accuracy and clearness of detail—is often found in the Credit Department. And the shipping department with its relation to credits through the responsibility that exists in the delivery of merchandise on future orders is found to be a co-ordinate factor.

Nor can the relation of these groupings to the economy of detailed work be overlooked. As with labor, the division of management brings with it an opportunity for the introduction of labor saving devices in the office that takes no less important a place in the administration of enterprises than the machines of the factory. In many ways the growth of the credit function has played its part in the reduction of drudgery and the speeding up of transactions. These desirable accomplishments

were little thought of a few years ago and even now are only partially appreciated.

At the same time emphasis must be placed on those obligations which have arisen out of these many advantages. Important among them is the responsibility for co-operation to which all must respond who are permitted to specialize. Another is that of developing a teaching instinct in the training of subordinates and an open mind that receives with interest the suggestions of others and analyzes with care their possibilities.

Those Old TITANS Who Wanted Facts

Every now and then, the picture of some industrial giant or financial genius of twenty-five or thirty years ago, appears in a current magazine.

No matter who the old gentleman may be, he is apt to be credited with having said, "I want the facts." And to any one familiar with the biographies of some of these grand old men, it is hardly questionable that they *did* want the facts and said so.

They hungered for facts, these old Titans—facts on trade conditions, on markets, materials, processes, inventories, costs, organization, sales—facts on the wastes in their business, leaks and mistakes. That facts were obscure and hard to get in their day only stimulated their desire for exact knowledge. They searched and *dug* for facts, and on them visioned the future and laid the plans for their great achievements.

All progressive business, striving to attain larger reward and new heights in human service, has for its slogan, *Facts*. And Modern Accountancy stresses the *necessity* for facts, timely, dependable, properly interpreted—and has made them, to a large extent, readily available.

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Paralyzed

Irreparable havoc was wrought by an explosion in the curing room of the Leathertone Company's new processing plant due to an accumulation of dangerous gas during the week-end shutdown and while there was fortunately no loss of life, the company is subject to a serious financial set back.

EXPLOSION INSURANCE designed for just such disasters should be carried by all concerns working under conditions or in a locality exposed to such hazards. A careful scrutiny of your firm's policies is in order, and inquiry as to the possibility of such loss to firms seeking credit from you would be wise.

The National Liberty Agent in your town would be glad to advise you concerning this coverage.

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Two Easy Jobs With Nothing in Common

To the Editor of the CREDIT MONTHLY:

My article which you printed last month entitled "Aviator and Credit Manager—Two Difficult Jobs That Have Much in Common" called forth the following letter sent to me in care of the CREDIT MONTHLY. I trust that my article received as close attention from all your readers as from this one.

ELLIOT BALESTIER, JR.

JOHNIE WALKER was a sick feller. The trouble was plain to his friends, but even your best friends won't tell you and four out of five get it at the danger line. Johnnie was a high flyer since he reached the big city, spending most of his time running his car between the subway and the 75th floor of the Singworth Building.

Seventeen years later Johnnie found himself the proud possessor of \$61.24 and twins and the need for immediate employment (for himself).

Being desperate, he took the first job offered, as thirty-first assistant manager of the Albuquerque Association for Indigent Credit Managers. His job was in the Association's kitchen, so after another dozen years John was pretty well fed up. Then suddenly something happened: The potato peeler died. At last his dreamed-of upportunity! Here was a job which required foresight, firmness, strength, executive ability and skill. He had all these requirements, backed by a thorough knowledge of onion and garlic peeling, picked up through years of honest sweat and tears.

It did not take Johnnie long to

work his way up to head potato peeler. Still, he felt that there was greater success ahead. Had he not taken his yeast cake regularly? Why, then, did he not succeed? One day, between peels, the eye was attracted to an article on "success" written by a discharged fellow-worker who had been driven to authorship by poverty. It read: "To succeed in business, make your business your hobby-horse and your hobby-horse your business." That was just the trouble with him, he thought, he had no hobby-horse. There was his answer! The unsatisfied desire to ride a hobby-horse was what was ailing him. Simple, wasn't it?

Coming back to his seat on the old garbage pail (or hobby-horse as he now called it) he began to work out the parallel. He pictured a universal brotherhood of potato peelers, with himself on his faithful old hobby-horse, leading them to victory.

Wasn't the failure of the potato stew a complete "washout"? What was his "instrument board" but the sharp potato knives and eye-diggers? His compass guided the knife's direction and warned of slopes, ridges and slices.

He raved on and on in his mind, drawing his hobby-horse into closer contact with his business. Gradually he fell to the floor limp and exhausted. He felt a reawakened interest in potatoes and peels. He had made his business his hobby-horse.

Nothing could now prevent his success.

M. J. D.

Survival of the Fittest Retail Stores

AS between chain stores and other kinds of stores, the question is one of the survival of the fittest, according to G. A. O'Reilly, Vice-President of the American Exchange Irving Trust Co., New York. In a recent address before the an-

nual convention of the National Hardware Manufacturers' Association at Atlantic City, Mr. O'Reilly said "the test will be thorough and the conclusion finally reached will have proper reference to safety, profit and the convenience of the public."

When writing to advertisers, please mention the Credit Monthly

Saving the Assets

(Continued from page 18)

We were compelled to sue this trust company in the interests of creditors. We recovered a judgment of \$2,300 against both the trust company and its manager, a portion of which we were able to collect and we paid the dividends to the creditors.

In another case wherein some of the creditors insisted that the matter be handled by a creditors' committee, who operated the business for some months, not only did creditors receive no dividends from substantial assets assigned in the first instance, but were called upon to pay their pro rata share of a judgment that was obtained by dissenting creditors against the individuals who comprised the creditors' committee.

Bankruptcy Costs

In a receivership case in our city, out of \$3,200 cash received from the sale of assets which inventoried at \$9,581, the receiver and attorney were allowed fees of substantially \$1,400, or nearly one half of the net recoveries. These may be exceptional cases, but contrast them with some handled by our bureaus. A firm in Idaho found itself in serious financial difficulties and at the meeting of the creditors, held in our office in April two years ago, it was agreed to give an extension of time until the following December, when it was the consensus of opinion of creditors that the business would have to be liquidated. The assets of the firm were pledged to us as security for the creditors' claims and we named a competent manager who was employed under the direction of the firm.

By December, instead of liquidating, we paid creditors 40 per cent. in dividends, and have just recently closed this estate on a 90 per cent. settlement basis, leaving a going business free of indebtedness and creditors are satisfied.

We had two other estates brought to our attention about the same time in nearby towns in Idaho and substantially the same creditors were involved in each. Both were granted an extension of time, under about the same general terms and conditions. In the one case at San Anthony, dividends of 94 and a fraction per cent. were paid on claims

of \$55,002. Our costs and commissions amounted to but 3.4 per cent. of creditors' claims. On the other hand, the other firm under its extension, violated the terms of its parole, if you call it such, incurred a new indebtedness, whereas the former had purchased goods only for cash. A bank failure in the town brought them face to face with the new indebtedness, resulting in assignment for the benefit of creditors and in that case only 55 per cent. was paid on claims of \$55,700. Both busi-

nesses had operated for forty years, and the second one would have been a going concern today had they followed the dictates of the bureau and the creditors' committee.

Just an average case of the many that we handle was one at Idaho Falls, wherein claims of \$24,795 were paid by us, every creditor assenting to friendly adjustment. We paid dividends of 54.34 per cent. with expenses of 3.7 per cent., not a cent spent for attorneys' fees or other than the actual costs of liquidation.

FAILURES Come Without Warning

In acknowledging our check covering an abnormal bad debt loss, the Canton Stamping & Enameling Co., Canton, O., say: "We sustained an unexpected loss on the account of one of our largest customers, who enjoyed a very high rating."

Henry Keidel & Co., Baltimore, say: "Included in the losses was one on a well-rated customer whom we had been selling for about 25 years — needless to say, we had every confidence in this account."

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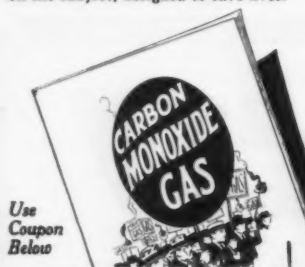
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For the past few years we, and other insurance companies, have been bringing this danger to public attention. And we offer you—FREE—a booklet on the subject, designed to save lives.



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197 Clarendon St., Boston, Mass.

Please send me your free booklet on Carbon Monoxide Gas.

C.M.

We render a full accounting to the creditors with our final dividend check, so you can be sure we watch those items of expense.

Our bureau was obliged to investigate a large manufacturing concern in our city with a view to offering a composition settlement; 253 creditors accepted our recommendation for a 40 per cent. settlement. Two creditors held out, and we would not consent to preference being made them. The business was assigned to us, its assets sold, claims of creditors filed and these two dissenting creditors filed their claims without hesitancy. Total claims of creditors were \$131,500 and the net dividends to creditors of \$20.64 per cent. paid. Had they accepted the recommendation of the bureau their dividends would have been just twice that amount. We run across these business pirates every once in a while who think we will pay them off to put through a settlement but we do not do so.

These are not unusual cases. Every one of our well-organized bureaus can produce many similar ones in support of the argument that I am making.

An Ancient Debtor's Code

(Continued from page 10)

specifies that he forfeit all his rights. This is chiefly important in that it shows that the Code insists on the sanctity of the law.

Here are two of these business documents found in the form of tablets or cylinders buried in the ruins of such historic cities as Babylon, Nineveh and Lagash:—

"First year of Samsu-iluma, 9th month. Loan of 12 shekels for the purchase of wheat. One month after the harvest the borrower will repay with interest." Seal and two witnesses.

In the following a pledge of slaves and land is offered:—

"The lady Addati lends two minas of silver, Carchemis standard, exact sum, to ————ia, the deputy of the chief of the city. Instead of the two minas of silver a plot of 12 homers of land in the outskirts of Nineveh, Kurdi-Adaddi, his wife and three sons, Kandi-lanu and his wife, in all seven people and 12 homers of land, are pledged. On the day that the one returns the money, the other shall release the land and the people. Dated 1st of Marchesvan, (about 694 B. C.). Seals of 12 witnesses.

About the Thirteenth Century we have another Assyrian Code, fragments of which were recently found. It follows Hammurabi's Code in the main, but tends to be more cruel in its penalties. The laws of Hammurabi, however, continued to hold good and to insure justice as it was then known. Its influence was so far-reaching in the ancient Orient that many of the laws of the Old Testament are directly traceable to it.

A Silver Platter

FIFTY-THREE new memberships in the Rhode Island Association of Credit Men were presented recently to Stephen I. Miller, Executive Manager and Treasurer of the National Association of Credit Men, on (and with) a silver platter, on the occasion of his first address to a meeting of this Association. A member of the Providence organization suggests that this method of greeting the Executive Manager might well become a general custom among local Associations—unless 144 silver platters are more than Mr. Miller can personally use.

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Premium Collections

(Continued from page 21)

contained a series of collection letters—because it may safely be assumed that one reason why so many agents are lax in following up overdue accounts is because the writing of a letter which is courteous, friendly but insistent looks so formidable that it is put under the heading "Things to Do Tomorrow." Several pages of pithy pointers regarding little courtesies which take the sting out of diplomatic insistence were also included—the whole being intended to give the agents constructive help on a problem which admittedly has many perplexing phases. As a valuable supplementary aid in clinching the agents' convictions as to the reasonableness of our whole collection program we also included a reprint of Mr. Egelhofer's article in the July CREDIT MONTHLY, "A Basis for Credit." It is gratifying to be able to report that the response on the part of our agents has been such as to convince us that our endeavors in this field were far from being misdirected.

At this time of the year, when insurance companies are publishing their annual reports, it is worth noting that outstanding premiums on risks dating prior to October 1, 1927, which are outstanding on the home office records of the company at the close of business on December 31, 1927, must be deducted from the company's assets in its annual statement. If any such risks are in force, it is compelled to enter as a liability the premium reserve on such items. This shows, very clearly, why an insurance company cannot be regarded by its agents or policyholders as a philanthropic institution and emphasizes the importance of its being promptly compensated by payment of premiums, when they are due, for the far-reaching liability it assumes under its contracts.

Lower Rates Made Possible

The universal interest in working out ways and means to reduce the price at which insurance protection may be sold without violating sound underwriting principles, is bound to extend to the matter of premium payments. Substantially lower rates have already been made possible by inducing assureds to co-operate with the insurance companies by reducing physical hazards, by installing pro-

tective devices which minimize the probability of loss, by safety engineering and accident prevention work, by inspection activities and in many similar ways.

Still further economies can be effected by waging war against the slow-pay assured with the same vigor as has been directed against the hazardous risk which is capable of being transformed into an acceptable one. Insurance is no exception to the economic rule that the buying public pays the freight for long-term credit. Premium money being the life blood

of an insurance organization, it is obvious that the quickened circulation which would follow the elimination of overdue premiums would produce an added efficiency from which the insurance buying public would benefit even more than would the companies.

There is, fortunately, abundant evidence to show that such a reform is well under way and has already received from insurance agents, as well as from their companies, a degree of support which augurs well for the incoming year of 1928.



Credit INSURANCE

IN six years this Company has served its Credit Insurance Policyholders in about 140,000 cases of slow and insolvent accounts and realized for them over \$17,000,000 either through collections from the debtors or reimbursement for excess losses.

What has been saved in addition thereto, by reason of the many benefits derived from carrying a Policy of Credit Insurance, is hard to estimate.

Is anything more needed to establish the value of having accounts insured?

Credit Insurance has stood the test through earthquake, fire, flood, financial depression and war. It is flexible, protecting one, some or all accounts.

May we have an opportunity of explaining the latest plan without obligating you in any way?

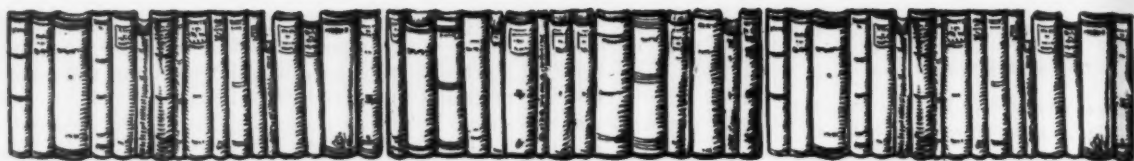
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The Business Library

By Frank A. Fall, Litt.D.

Director of Education and Research, National Association of Credit Men

For Executives and Investors

FORECASTING BUSINESS CONDITIONS. Charles O. Hardy and Garfield V. Cox. The Macmillan Co., N. Y. 1927. 494 pp. \$4.

This book presents business cycle material for the business man and the investor in industrial securities rather than for the economist or teacher. One of the authors, Professor Hardy, formerly of the School of Commerce of the University of Iowa, has to his credit also a useful volume on "Risk and Risk-bearing." His collaborator, Professor Cox, is on the faculty of the University of Chicago School of Commerce and Administration.

A valuable feature of "Forecasting Business Conditions" is the specific information which is given on the various economic and statistical services. Chapter V is devoted exclusively to the Babson Statistical Organization; Chapter VI to the Brookmire Economic Service; Chapter VII to the Harvard Economic Service; Chapter VIII to Moody's Investors' Service; and Chapter IX to the Standard Trade and Securities Service. A business executive who feels the need of forecasting material but who has had no experience with the various agencies which provide it will find in the chapters cited an adequate and unbiased account of just what the various services attempt to cover, and the methods they use in collecting, assembling and circulating the material.

Following these chapters on the service organizations, the authors take up the causes of business cycles; practical forecasting; agricultural production and prices; the production of minerals; construction; transportation; banking and finance; profits; and the stock market. The concluding chapters deal with indexes of production, prices and general business activity. The Appendices, in nine sections, cover statistical data, forecasts made by Babson, Brookmire, Moody and the Standard specialists, and an admirable Bibliography. The Index is brief, covering but two pages.

Forecasting analyses may, the authors believe, ultimately come to be of quite as much interest from the viewpoint of pub-

lic policy as from that of private gain. Moreover even in the absence of any effective program of control it seems to them obvious that a sufficiently widespread knowledge of an accurate method of forecasting business conditions would operate, if not to smooth out the cycle completely, at least to reduce the width of its fluctuations. If everyone is warned of a coming upswing or downswing and acts promptly to prepare for it, such action will necessarily both hasten the coming of the change and decrease its severity.

For the present there is, in the opinion of Professors Hardy and Cox, no prospect of the disappearance of the tendency to oscillation in the rate of business activity and the primary interest of business forecasting is in the adjustment of individual business policies to the outlook. This volume is, then, devoted to the task of helping the individual perform this task rather than to obviating the necessity of his doing it.

Revision of a Standard Text

AUDITING THEORY AND PRACTICE. Robert H. Montgomery. Ronald Press Co., N. Y. 1927. 859 pp. \$6.

The publication of a fourth revised edition of Colonel Montgomery's widely read treatise on auditing accentuates the fact, known to many business executives as well as to virtually all accountants, that as the science of auditing expands with the growth of business, so does the Colonel. This should not be interpreted as a hint that Colonel Montgomery needs to practice girth control, as his frequent dashes to Washington on income tax cases keep him trim, fit and sound in wind and limb.

More than 50 per cent. of new material has been added in this new edition. The third edition, published in 1921, reflected many conditions growing out of the world war. In the fourth the author found himself six years further away from the effects of the war and therefore able to disregard such questions as high tax rates and violent inventory fluctuations, both of which were live problems in 1921.

In the settlement of other war problems the auditor need not, in the author's opinion, hold aloof. The ramifications of war debts are still a factor in his daily work. Colonel Montgomery personally believes that the debts of the allies are not finally settled. He characterizes as silly the attempts of politicians and editorial writers to stifle discussion of the readjustment of the debts and believes that these, like all attempts to dominate individual thought, will fail.

Colonel Montgomery's conception of the place of the auditor in business has always been significant. As business gets bigger and financial problems more complicated, the professional auditor should, he says, become more and more useful to the community at large. There is need for clear thinking and accurate judgment. Accountants should have a passion for accuracy but the passion must be trained to keep pace with world-wide movements and conditions. "Billion" is now a household word; dealing with millions and billions, meticulous accuracy in regard to hundreds becomes difficult and sometimes even superfluous.

The general arrangement of material follows substantially the outline of the 1921 edition. There are now 34 chapters, with an Appendix presenting approved methods for the preparation of balance-sheet statements; examples of provisions contained in a preferred stock agreement; and types of approved balance-sheets. The Index comprises 27 pages, and is particularly well arranged, with general headings in a black-face type which greatly facilitates rapid reference.

Marked "Personal"

PERSONAL RECORD BOOK FOR EXECUTIVES—1928. The Dartnell Corporation. Chicago, 1927. 431 pp. \$5.

Any executive who wants to write his own business history as he goes along will find in this attractive desk-book an admirable outline, as well as much valuable information, conveniently arranged.

The diary portion covers two business

days on a page, with a line for each hour from eight A. M. to five P. M. At the bottom of each page is a well chosen quotation, ranging from Seneca down to Emerson, and not overlooking our modest but prolific friend Anonymous. Then follow 25 blank pages for memoranda, 6 for addresses and a monthly income and expense record.

Provision is made for recording donations, tax deductions, interest, receivables, investments, insurance, and sales. General information is given on postal rates, investment yields, stock certificates, stock exchange symbols, copyright and interest laws, corporation report dates, Federal Trade Commission functions and rulings, income tax rates, cash discount savings, profits and mark-ups, turnovers, business punctuation and proof-reading.

The statistical tables cover personal income tax returns (1925 figures), automobile and truck registrations, users of electric current and telephones, manufactures, population of states and selected cities in the United States and Canada, state wealth factors, index to county buying power, count of wholesalers and retailers, wholesale and retail operating expenses, circulation and rates of principal magazines and newspapers, data on foreign markets, and values of foreign coins.

At the end of the volume there are two tabulations of interest to special groups,—a list of Rotary Club meeting dates and places, and a list of the principal warehouses in the United States and Canada. There is a brief index, and attached to the inside of the back cover is a general reference and road map of the United States and lower Canada.

Mechanically this book is excellent. The paper will take ink or pencil, and the binding is flexible. Although there are more than 400 pages, the total bulk is not too great to go into a coat pocket without undue crowding.

Real Light on Deferred Payments

THE ECONOMICS OF INSTALMENT SELLING. Edwin R. A. Seligman. Harper & Brothers, N. Y. 1927. 2 vols. 980 pp. \$8.

Guessing has been, up to the publication date of this book, the chief method used by writers on instalment selling. Professor Seligman now substitutes another method,—painstaking study, logical generalizations and intelligent and intelligible exposition. The change is decidedly for the better.

Professor Seligman's reputation as an economist is more than national. It might fairly be characterized as world-wide. What he thinks about such a vital economic problem as instalment selling is therefore a matter of keen interest to a great many people. His convictions are summed up in these words:

"Instalment selling, like every new institution, is subject to the perils of novelty. It has engendered new devices and created

Announcing Two Important New Books of Interest to Every Credit Man

Bank Loans on Statement and Character

BY MAHLON D. MILLER

Member of the Illinois Bar; Manager, New Business Department, Lake Shore Trust and Savings Bank, Chicago.



IN passing upon an important credit application or determining a credit limit, haven't you often wished you could talk over with a banker what he would do in such a case?

There is much, as you know, that you and the banker have in common. In most ways, your methods of deciding whether or not to extend credit in a particular case are very similar.

In this book an experienced bank officer whose extensive work with the new-business side of banking as well as with the granting of loans gives him a particularly constructive viewpoint on credit problems, tells how the banker forms his judgment.

He tells you how to consider all sides of the borrower's case. He offers practical suggestions on checking up an applicant's character and business standing; on reading the facts of his business from the financial statements presented; and on getting an accurate size-up of the underlying conditions indicated. He helps you to weigh impartially all the considerations involved, tangible and intangible, and arrive at a sound decision.

The book admirably summarizes what bankers regard as good accounting and business policy on the part of customers. In addition, it reproduces numerous financial statements with the decision in each case of the discount committee that passed upon it. 492 pages. \$6.00.

Finance

BY CHARLES L. JAMISON

Associate Professor of Business Administration, University of Wisconsin; formerly Secretary and Treasurer, A. M. Byers Company, Pittsburgh, Pa.

MORE and more, to determine whether or not a company is a good credit risk, you have to understand and appraise the manner in which its current financial operations are managed.

In this book is a clear, thorough explanation of just what the credit man needs to know about accepted practice in handling the everyday finances of going concerns. You will find it invaluable in getting a line on a company's working capital position.

Shows how the financial officer's policies and plans are tied in with the work of other departments—accounting, purchasing, sales, production, personnel. Gives an excellent outline of the operations of the credit and collection departments and shows how they

are tied in closely with the work of keeping capital active.

The book discusses the routine of receipts and disbursements, methods of speeding up capital turnover, the use of bank credit, the need of watching current liabilities and purchase commitments. Particular attention is given to prevention of "freezing" capital in slow accounts receivable. Covers methods of paying bills and meeting payrolls; auditing disbursements; voucher systems; keeping of office cash funds; use of insurance; control of expense accounts of salesmen and officers. 360 pages. \$4.50.



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a new technique, but it has undoubtedly come to stay. Some abuses and some perils which it were short-sighted to deny have crept in. What is needed is to apply to each particular case some of the results of the analysis which we have attempted to present. As the years roll by experience will teach us to what classes of commodities and to what strata of society instalment selling is economically applicable.

"In the course of time outworn methods will be discarded and new abuses will undoubtedly appear. Is it not the part of wisdom to separate the chaff from the grain, to be on our guard against the obvious dangers, and to eliminate, one by one, the improper practices, until precisely as in the case of our banking structure, we may be able to establish fairly definite and generally accepted standards for distinguishing the sound from the unsound, the real from the specious?"

"When instalment selling comes to be measured by these criteria we may expect to learn that the innocuous and the salutary must not be confounded with the inappropriate and the regrettable, and that, in its ultimate and refined forms, instalment credit will be recognized as constituting a significant and valuable contribution to the modern economy."

It is of course impossible, in the limits of a brief review, adequately to characterize either the fact material or the generalizations of such a work as this. Dr. Seligman has done much more than merely write a book. He has made the first really comprehensive study of one of the outstanding problems of modern business. His findings will be eagerly scanned by thousands of executives who are engaged in selling on the deferred payment plan, or who are considering the possibility of going out after instalment business. Around these two notable volumes will center, probably for several years to come, the vigorous debate which began when instalment selling, not so very long ago, suddenly drew on its seven-league boots.

A Credit Cause Celebre

THE YELLOW BOOK OF THE MACY CONTROVERSY, AND THE CREDIT QUESTION. E. C. Riegel. Riegel Corporation, N. Y. 1927. 220 pp. \$8.

The first 72 pages of this lively book bear on the recent clash between the Better Business Bureau and R. H. Macy & Co., of New York over the statement used in the Macy advertising: "Lowest in the City Prices and 6 per cent less than elsewhere." Mr. Riegel entered the controversy on the side of the Better Business Bureau but was not pleased with the Bureau's final action and ended by opposing both the Bureau and the big department store in which the younger representatives of the Straus family are now the dominant force.

The remaining two-thirds of the volume is devoted to an exposition of Mr. Riegel's ideas of the nature of credit and his suggestions for the improvement of a situation which he regards as far from wholesome.

Not all credit managers will agree with Mr. Riegel's conclusions, and some will disagree with them violently. For example, the reviewer would give "something handsome" to sit on the sidelines and listen to a debate in a credit Association meeting of some of the following assertions:

1. *Credit exists in every business and every business transaction.* (Italics are Mr. Riegel's). The distinction is merely between forms, ranging from extremely conservative (cash) to extremely liberal.

2. *There is no credit loss.* To extract credit from business is to destroy business itself. Hence the sum total of business is due to credit. Payment defaults are but deficiencies that exist in the processes of business chargeable to both buyers and sellers, but are not the product of credit.

3. *There is no net credit cost.* The increased facility of credit business wipes out the cost of conducting a charge business.

4. *There is a negative discredit waste.* Since all business is predicated on credit, there is a natural good will that exists unless destroyed by discredit, and such loss is very real even if not determinable.

5. *There is a positive discredit waste.* This is easily determinable and involves all costs for the conduct of "credit departments" ("quotes" are Mr. Riegel's) which exist for the purpose of discrediting credit.

If proposition No. 5 is not enough, the explosion may be touched off by turning to the statement on page 170 that "the present so-called credit man doesn't fit into the picture any more than Al Smith fits into the Anti-Saloon League." At about this point, some of the readers of the CREDIT MONTHLY are doubtless asking, "Why review a book which slams the credit manager?" The answer is that the chief aim of the Business Library Department is to tell credit managers what is being written about credit. This is specifically a book on credit, and as such is going to be very widely discussed. If Mr. Riegel's views are unsound, it is certainly right and proper for the articulate credit executive to stand up and say so. At the same time he will have an excellent opportunity to express, for the benefit of his associates and of business in general, the credit faith that is in him.

97 Per Cent. Honest

THE N. Y. *Evening Sun* notes that the credit manager of a large hotel recently announced the conclusion that 97 per cent. of hotel guests are honest, and opines that it may be that just now people are prosperous and are buying more towels.

TELEPHONE CORTLANDT 3787
Samuel Newberger & Co.

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COST SYSTEMS—TAX REPORTS

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A Thought on Tax Reduction

IT is highly improbable, almost inconceivable, that a person would write a letter of the type printed below *at the right*, but such a communication is suggested by letters similar to the one *on the left*.

Credit Protection Dept.,
National Assn. of Credit Men,
1 Park Avenue,
New York City.

Gentlemen:

Some time ago our company subscribed to your Credit Protection Fund to the extent of \$250.

We have had no occasion to call for your services since making this contribution. It seems that fraudulent bankruptcies in this neck of the woods have just about petered out, for one reason or another, and we would like to have our subscription returned.

If you will be good enough to return our check for \$250 we will call it square and charge you no interest.

Very truly yours,

ETC

JOHN DOUGH.

Tax Commissioner,
Municipal Building,
Blankville, N. Y.

Dear Sir:

Some few months ago our company paid to the city about \$500 in taxes, to defray our share of the city's expenses.

This sum included an amount for police and fire protection, which we have not needed. We have had no fires in our plant; and, insofar as we know, no crimes have been committed on our premises.

In view of the fact that we have received no assistance from your estimable Fire Department and Police Department, we would appreciate the favor a great deal if you would return the part of our taxes which went to those departments.

Very truly yours,

ETC

JOHN DOUGH.



In the year
1755

Benjamin Franklin said:

"Think of three things, whence
you came, where you are going,
and to whom you must account"

From whatever point you
may come, there is a warm
welcome awaiting you at
The Benjamin Franklin.
Wherever you are going,
we can supply you with
helpful, interesting hotel
and travel information

1200 Rooms, each with bath
Rates \$4 upward

THE
BENJAMIN FRANKLIN

CHESTNUT & NINTH ST.

PHILADELPHIA

HORACE LELAND WIGGINS
Managing Director

UNDER DIRECTION



OF AMERICA

The Word, DUN

A READER of the CREDIT MONTHLY raises the question as to whether the verb, to dun, comes from the well known firm name of R. G. Dun & Co. The answer is, No; and this is based on the following facts:

In the Slang Directory (London, 1865) "dun" is defined as follows: "To solicit payment. Old cant from the French *donnez* (give); or from Joe Din, the famous English bailiff of Lincoln, or simply a corruption of *dim*, from the Anglo-Saxon, *dunan*, to clamour."

The Century Dictionary (1909) quotes from Knickerbocker by Washington Irving: "I scorn to push a lodger for his pay; so I let day after day pass without *dunning* the old gentleman for a farthing." And going still further back, this quotation is found in the "School for Scandal," by Richard Brinsley Sheridan (1751-1816): "Has his distresses too, like a lord, and affects creditors and duns."

And—R. G. Dun & Co. was established in 1831.

"THAT'S A GOOD AD!"

Much thought and care go into the advertisements in your own professional magazine, the Credit Monthly. Will you reward the men who do this work by expressing your opinion as to the relative excellence of these advertisements? With your aid, a panel of competent judges will select the best.

BALLOT

CREDIT MONTHLY
One Park Avenue
New York, N. Y.

1st choice.....

2nd choice.....

3rd choice.....

Reasons (if you care to state them):

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Jan.

VOTE

on the attached coupon your first, second and third choice of advertisements in *this issue*, or attach coupon to your letterhead if you will enlarge on the reasons for your choice.

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1928

What Will 1928 Bring You?

Only the best of
good fortune, we
hope.
We cannot see into
the future —
fortunately perhaps—
but we can
anticipate the possi-
bilities of such forms
of disaster as can be
guarded against by
**Sound
Insurance**

For 109 years
property insurance
has been
unfailingly
furnished its policy-
holders by the

**Ætna Insurance
[FIRE]
Company**



Calendar of Legal Holidays (1928)

| | | |
|--------------|-----------------------------|---|
| January 1 | New Year's Day | Alaska, Dist. of Columbia and all states. |
| January 8 | Battle of New Orleans | Louisiana. |
| January 19 | Lee-Jackson Day | Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. |
| February 3 | Arbor Day | Arizona, northern part. |
| February 12 | Lincoln's Birthday | Alaska, California, Colorado, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, * Kansas, Kentucky, Michigan, Minnesota, * Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Porto Rico, South Dakota, Tennessee, Texas, Utah, Washington, * West Virginia, Wyoming. |
| February 14 | Admission Day | Arizona. |
| February 21 | Mardi Gras (Shrove Tuesday) | Alabama, Florida and Parish of Orleans, La. |
| February 22 | Washington's Birthday | Alaska, Dist. of Columbia and all states. |
| March 2 | Texas Independence Day | Texas. |
| March 25 | Maryland Day | Maryland. |
| March 30 | Seward Day | Alaska. |
| April 6 | Arbor Day | Arizona, southern part. |
| April 6 | Good Friday | Connecticut, Florida, Louisiana, Maryland, New Jersey, Pennsylvania, Philippines, Porto Rico and Tennessee. |
| April 12 | Halifax Day | North Carolina. |
| April 13 | Thos. Jefferson's Birthday | Alabama. |
| April 15 | Arbor Day | Utah. |
| April 19 | Patriots' Day | * Maine and Massachusetts. |
| April 21 | San Jacinto Day | Texas. |
| April 23 | Arbor Day | Nebraska. |
| April 26 | Past Day | New Hampshire. |
| April 26 | Confederate Memorial Day | Alabama, Florida, Georgia and Mississippi. |
| May 10 | Confederate Memorial Day | Kentucky, North Carolina and So. Carolina. |
| May 11 | Arbor Day | Rhode Island. |
| May 20 | Mecklenburg Declaration | North Carolina. |
| May 22 | Primary Day | South Dakota. |
| May 30 | Memorial or Decoration Day | Alaska, Dist. of Columbia and all states, EXCEPT Alabama, Florida, Georgia, Louisiana, Mississippi, Montana, North Carolina, South Carolina. |
| June 3 | Confederate Memorial Day | Georgia, Louisiana. |
| June 3 | Jefferson Davis' Birthday | Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Texas and Virginia. |
| June 3 | Decoration Day | Tennessee. |
| June 15 | Pioneers' Day | Idaho. |
| July 4 | Independence Day | Alaska, Dist. of Columbia and all states. |
| July 13 | Gen. N. B. Forrest Day | Tennessee. |
| July 24 | Pioneers' Day | Utah. |
| July 27 | State Primary Election Day | Texas. |
| August 1 | Colorado Day | * Colorado. |
| August 16 | Battle of Bennington | Vermont. |
| August 28 | Primary Election Day | California and Michigan. |
| September 3 | Labor Day | Alaska, Dist. of Columbia and all states, except California and Michigan. |
| September 4 | Primary Election Day | Michigan, Nevada. |
| September 8 | State Election Day | Maine. |
| September 9 | Admission Day | California. |
| September 12 | Old Defenders' Day | Maryland. |
| October 1 | Missouri Day | * Missouri. |
| October 6 | Fraternal Day | Alabama. |
| October 12 | Columbus Day | Arizona, California, * Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Kentucky, Louisiana, * Maine, Maryland, Massachusetts, * Michigan, * Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Washington and * West Virginia. |
| October 14 | Farmers' Day | Florida. |
| October 18 | Alaska Day | Alaska. |
| October 31 | Admission Day | Nevada. |
| November 1 | All Saints' Day | Louisiana. |
| November 6 | General Election Day | Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Maryland, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio (half-holiday), Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wyoming. |
| November 11 | Armistice or Liberty Day | Alaska, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Washington, Wyoming. |
| November 22 | Thanksgiving Day | Alaska, District of Columbia and all states. |
| December 25 | Christmas Day | Alaska, District of Columbia and all states. |

* Called a "public" holiday not affecting commercial paper contracts or judicial proceedings.



Useful for Credit Managers

THE calendar reprinted above is one of the many valuable features of the 1928 issue of the "Credit Diary and Manual of Commercial Laws" published by the National Association of Credit Men, One Park Avenue, New York.

The Credit Counselor

By H. F. Andrews

Credit Manager, N. B. Thayer & Co., East Rochester, N. H.



H. F. Andrews.

GEORGE J. CLAUTI-CE'S article on elevating the credit profession, in the August, 1927, CREDIT MONTHLY is much to the point. Our experiences in our upward climb, are more inspiring, more satisfying, if we apply the theory, "as a man thinks, so is he." If we continue to call ourselves credit men, those merchants who have learned through experience to recognize the credit man as nothing more or less than a collector of accounts, are sure to think of us as such. There are men doing the work merely of credit men, not from choice, but because the house has not sensed the importance of the Credit Department. Purchasing all the agencies' services, they believe that, with this mechanical provision, the department can run as a side issue. They recognize and pay for important elements of their business, sales and production, yet do not put sufficient stress upon credits, the other equally important element to the success of the institution.

The position of this individual is primarily office manager, with credit experience. To the great credit of many of these men who at the start were merely office managers, they have met the issue and by study and close application, have improved and developed the technique of the Credit Department, have risen above the mere mechanics of credit, and have given the credit factor its proper significance. And in this way they have established recognition of the department as an equal of the sales and production departments.

In a concern where production and sales are looked upon as the only hope, the Credit Manager has a hard road to travel. To rise above his handicap requires tact, purpose, determination and patience in abundance. He cannot hope to be other than a credit-man-collector under such a policy, until educational methods have been applied and absorbed. The sales and production executives

must be educated, as well as the individual salesman, to the fact that the economic waste of high-powered salesmanship, overstocking the merchant beyond his capacity to pay as per terms of sale, results in an excessive burden of collections.

The Credit Manager comes into his own only when his experience

and vision have brought him to a full realization of the importance of his work to the institution. I consider the most important phase of my work is that of a counselor—a Credit Counselor. When we function in this capacity—analyzing a merchant's statement, advising and admonishing, pointing to his weak spots, visible to the eye of the trained executive, then advising the proper procedure to make a more marked success—then we really arrive, and our true value to our house and to the trade is recognized. This credit counsel

New York Collections

The New York Credit Men's Adjustment Bureau, Inc., which serves as the adjustment bureau for the members of the New York Credit Men's Association and is officially recognized by the National Association of Credit Men, has installed a *collection division* to serve members of the National Association of Credit Men on their New York accounts and New York members on their accounts throughout the country.

In installing this new department, the New York Credit Men's Adjustment Bureau, Inc., yields to a growing and insistent demand from credit men for a complete service in handling their accounts, and the bureau is now prepared to serve in

Liquidation, Operation, Rehabilitation, Reorganization, Composition, Investigation, Industrial Surveys, Collections

and as representative in bankruptcy administration

The New York Credit Men's Adjustment Bureau, Inc.

468 Fourth Avenue

New York, N. Y.

When writing to advertisers, please mention the Credit Monthly

service is of paramount importance, and if practised in a helpful service-to-the-trade attitude, will place the Credit Manager in his true light.

Up to the Credit Manager

The credit counselor labors to make, not break accounts. And if the trade can be, as it must be, educated to feel as close to the Credit Manager as it does to the salesman, a healthier condition will be developed. A clearer understanding is necessary through the realization on the part of the merchant that the creditor's act of *supplying additional merchandise is comparable to investing additional capital in the merchant's business*—hence the Credit Manager is a co-laborer with him. We know only too well that until the credit man rises above his present estimation in the minds of the trade, his profession will not receive the much desired and deserved recognition. This is entirely up to the personality, knowledge, equipment and intense interest of the individual credit manager.

We must learn the importance of being preventative counselors, rather

than corrective collectors. We must apply preventative, selective measures, by ascertaining the desirability of the risk before shipment. If the financial statement shows unbalanced ratios, we must recognize that overloading will aggravate, not help the situation. Therein is the challenge to be a Credit Manager, not just a credit-man-collector, for our action on each credit decision, places us in our proper capacity, a condition mere mechanics cannot remedy.

The unwillingness on the part of many merchants to render financial statements directly, is largely due to the fact that their experiences with credit departments have not been pleasant. They fear the credit man as a collector, whereas, with a changed attitude on the part of the Credit Manager, overbuying would be the exception and not the rule, and collections would be easier.

I am a very firm advocate of the policy of small and frequent sales, and more rapid turnovers for the merchant with limited working capital. It is the credit counselor who is the real factor in the promotion and adoption of this policy, with the co-operation of salesman and mer-

chant. It means a choice between a healthy profit ratio and an insufficient one, and therein is the merchant's Waterloo. To the merchant, who cannot recognize this point and plan to make his profit, must be addressed the vigorous admonition, "Make a profit or quit!" This duty devolves upon the Credit Counselor and must be decisive, regardless of the salesman's attitude.

The Credit Manager must think of the Credit Department policies as the prime factors in conserving profits for the concern. With this in mind, the first step is to think it himself, then talk it. The confidence so expressed will be manifest in the recognition of the Credit Department by the sales and production departments as co-equal with them.

Answers to Credit Questions (Continued from page 20)

proportion of that sum shall be required to satisfy such debts and obligations. (G. C. A. 21).

Foreign Corporations

Q. Is there any information available to indicate to what extent debtors take refuge behind the statutes imposing penalties upon foreign corporations for a failure to take out a license to do business?

A. The penalties which are imposed by the various states are of two kinds, either prohibition against maintaining any suit upon a contract made in a foreign state, or fine and imprisonment and sometimes both.

The Prohibition against maintaining suit is qualified in some states by the provision that no suit can be maintained until the corporation has complied with the law and paid all back taxes.

Where the law imposes penalties of fine and imprisonment, the courts sometime hold that inasmuch as the corporation is doing business illegally, it can not maintain suit on the contract, even though the statute does not specifically provide that penalty.

There is no compilation available which would enable us to answer the precise question which has been raised, but the law reports are filled with cases in which the defense has been raised. The Corporation Trust Company publishes a monthly journal in which a few such decisions of the highest courts of the states are reported, and there is never an issue but what there are several such decisions. Very few cases, of course, of the total number in which the defense is raised, are ever reported. If New York may be accepted as a typical state, it may be stated that the defense is raised with such great frequency that it is decidedly unsafe for a corporation to ignore the statutes.

A \$250,000,000 Leak

Maxwell S. Mattuck, Director Counsel Credit Protection Dept., Eastern Division N. A. C. M. declares—

"Cases submitted to the National Association of Credit Men for investigation and prosecution, show losses averaging close to \$100,000,000 yearly. Assuming that only one crooked failure in three comes to the attention of that body, the cost may be conservatively estimated at \$250,000,000 a year."

The firm which suffers is always innocent. Your firm or your firm's customers firms will almost certainly be singled out for attack by this unscrupulous element, sooner or later.

A National Policy of Credit Insurance is an absolute guaranty that the World's Largest Surety Company will prevent, else pay, all abnormal credit losses.

Write for details of our Credit Insurance Policies

National Surety Company

Wm. B. Joyce, Chairman
E. M. Allen, Vice-President

E. A. St. John, President
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115 Broadway, New York

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JANUARY, 1928

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ADELE SHOPPE, formerly 1334 St. Nicholas Ave., N. Y. C. Adolph Liansky, prop.
ALLEN, R. J., service station and soft drink stand, formerly Phoenix, Ariz.
ANDERSON, GEO. W., baker, formerly operating at Beatrice, Nebr.
ANTHONY, TONY, formerly 13 Second St., Everett, Mass.
B. W. BATTERY & RADIO CORP., formerly 34 Ninth Avenue, New York City.
BAKER, K. C., formerly Winter Haven, Fla.
BAKKER, W. S., plumber, formerly 25 Wheeler Lane, Akron, Ohio.
BURGHART, G. L., printer, formerly of Shiocton, Wis.
BURNSIDE WHOLESALE GRO. CO., formerly 34 Home St., New York City.
BURTIN, ED., formerly located 2224 S. 3rd St., St. Louis, Mo.
BUCHHOLTZ, W. C., plumber, formerly at Columbia Pike, Arlington, Va.
BYERSDORF, O. F., truck operator, formerly at Portland, Ore., believed to have gone to Montana and East.
CAMPBELL, B. M., formerly 2117 Eugenia St., St. Louis, Mo.
CARPENTER, HERBERT D., formerly Great Neck, Long Island, N. Y.
CHRISTIE AUTO SUPPLY, formerly 78 Chrysler St., New York City, Julius Pearl.
CLARK, N. C., service station, formerly Bakersfield, Cal., believed to be in Ohio.
COUSENS DISTRIBUTING CO. (Otis Cousens), formerly 2019 A Broadway, N. Y. C.
COVILLO, FRANK, formerly wholesale liquor business in Fresno, Cal., last known address Tipton, Cal., (on farm), now reported to be in New York.
DAVIDSON (SAM) & LUSCINISKI (ADAM), plumbing, 10230 Dequindre St., Detroit, Mich.
DEL CONTE, AMELIA, formerly Watertown, Mass.
DEUTSCH, LEO, formerly dba Deutsch Bros., importers and exporters beaded bags, 1770 Madison Ave., N. Y. C.
DEWEY FREEMAN CO., formerly 1423 Lexington Ave., N. Y. C.
DACO PAINT MFG. CO., formerly 53 Jay St., New York City.
EMERY, PAUL, contractor and builder, formerly of Mercedes and Harlington, Tex.
FANAZO & GRECO, builders, formerly 23 Goodrich Ave., Astoria, Long Island.
FELDMAN, J., formerly 2114 Franklin Ave., St. Louis, Mo.
FITZIMMONS, N. F., prop. New York Store, Wiscasset, Maine, also Walldoboro, Me., and Rockland, Me.
FREEMAN & MAY, formerly Madison Ave., cor. 89th St., New York City.
FRIEMAN PHARMACY, formerly 319 9th St., Brooklyn, N. Y.
FUCHE, LEO, formerly employed by Superior Laundry Co., 1745 S. 18th St., St. Louis, Mo.
CATRALL, P. B., formerly 158 Thorndike St., Brookline, Mass., painter.
GEHAN, E. P., formerly 1115 N. Spring Ave., St. Louis, Mo.
GLASSCOCK, S. G., formerly Dale & Trinidad, Tex., operating as Curley's Drug Store at Dale.
GOOD, L., formerly 1009 S. Broadway, St. Louis, Mo.
GORE, I. M., formerly 10332 Dix Ave. (Fordson) Detroit, Mich.
GRADY, E. E., engaged in buying and selling eggs on large scale, formerly at Des Moines.
HALE, S. M., formerly of Kingsport, Tenn., connected with Hale Electric Co. of Hickory, N. C.
HAMILTON, B. G., formerly at Jacksonville, Fla. (Peninsula Tent & Awning Co.), also at Macon, Ga., (Central Georgia Tent & Awning Co.).
HERE U. R. SERVICE STATION, Allen Grace, prop., Springfield, N. J., formerly operated as Branch Street Garage, Lowell, Mass.
HOWELL, ROBERT M., JR., formerly Milwaukee, Wis. At times used style "Howell's Bohemian Troupe of Glass Blowers," at one time residing at 1924 West Van Buren St., Chicago.
HULTS, MILTON C., formerly plumbing business at 336 Merrick Rd., Lynbrook, Long Island, later moved to Reno, Nev.
JORDAN, W. E., formerly 4011a Cook Ave., St. Louis, Mo.
KAHN (LEO N.) & PAXTON (N. J.), formerly connected with Fine Service Laundry Co. at Miami Beach, Fla.
KANAREK, DAVIS D., formerly 741 Forest Ave., New York City.
KERR, ANN (MISS), formerly Forrest Hotel, 224 W. 49th St., N. Y., also 11 E. 36th Street, N. Y. C.
KISELKA (LOUIS B.) & LAMPE (J. A.), 1615 Van White Ave., Jamaica, Long Island, also 160 Fifth Ave., formerly conducting business as General Engineering Supply Co. at 38 Park Place, N. Y. C.
KRUMSICH, L. H., formerly Seattle, supposed to be in central part of U. S.
LAFRENIERE, ARTHUR, plumber, formerly 16 No. Bend St., Pawtucket, R. I.

LANDES, LEO J., formerly 22 1/2 Spruce St., Columbus, Ohio.
LIPSCHITZ, E., formerly 79 W. 47th St., New York City.
MARDLE, M. J., formerly Paw Paw Lake, Watervliet, Mich.; Chicago and 1259 Granger Ave., Lakewood, Ohio.
MCCALL, D., formerly at 903 St. Clair, E. St. Louis, Ill.
MCCREADY, HARRY, formerly 4231 Delmar Blvd., St. Louis, Mo.
MCFADDEN, E. P., formerly Portland, Ore., reported to have gone East.
MCHALE CO., R. J., formerly 3107 Rutger, St. Louis, Mo.
MAHONEY, W. A., 111 W. Mulberry St., Muncie, Ind., later moved to Florida.
MAZZELLA, VITO, formerly 119 Madison Ave., Trenton, N. J.
METENGER, S., formerly operating Chicago Grand Tire & Battery Co., 2936 West Grand Ave., Chicago.
MEYER & CO., 422 Hudson St., New York City.
MILLER, B. HAMMOND, produce business, shipped to Chicago, formerly Los Angeles.
MORRISON, WM., formerly 15 Hasbrouck Ave., Kingston, N. Y.
OGLESBY, ROY, formerly 10 S. 17th St., St. Louis, Mo.
PANARITIS, PETER J., formerly Utica, N. Y.
PENNY, G. C., dba, Penny Trucking Co., formerly Monroe, Mich.
PLATE, D. or C. F. H., wholesale crackers and cookies, formerly New York.
PUSHKIN, JOSEPH, formerly at 623 Wealthy St., S. E., Grand Rapids, Mich., believed to be in Chicago.
REISS, JACOB, formerly 1000 S. Etting St., Philadelphia, Pa.
RILEY, EUGENE, formerly located at 359 N. Whittier St., St. Louis, Mo.
SABAT, J., formerly conducted business at 4707 New Utrecht Ave., Brooklyn, N. Y., and is believed to be in New Jersey.
SCHANNELL, O. W., formerly at 3814 California Ave., St. Louis, Mo.
SELLERS, C. E., formerly R. D. No. 1, Lima, Ohio, believed to have moved to Indiana.
SHOPNICK, JACOB, tfg., as Boston Store, 152 N. Broad St., Trenton, N. J.
SONVILLE, LESTER, supposed to be in Central pt. U. S., formerly Pt. Angeles.
STAFFORD, EARL, formerly of Boyne City and Flint, Mich.

SUROWINSKI, L. FRANCIS (REV.), formerly 68 Willow St., Plymouth, Pa., now located in Cleveland, Ohio.
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